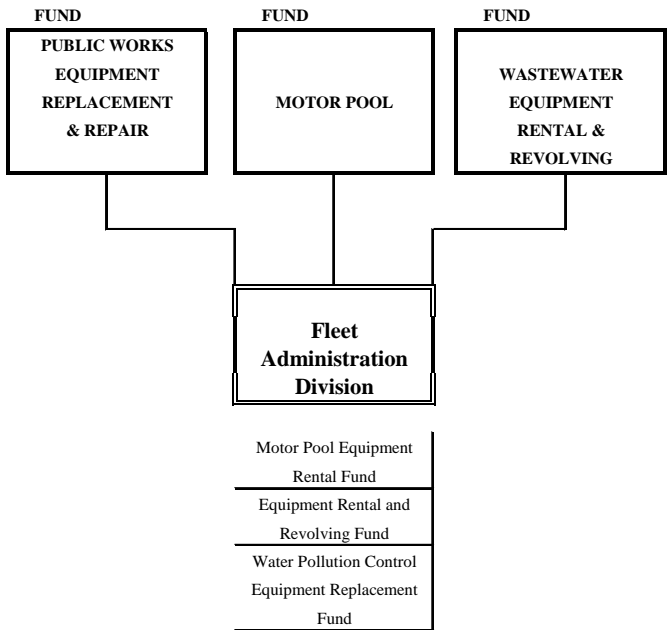
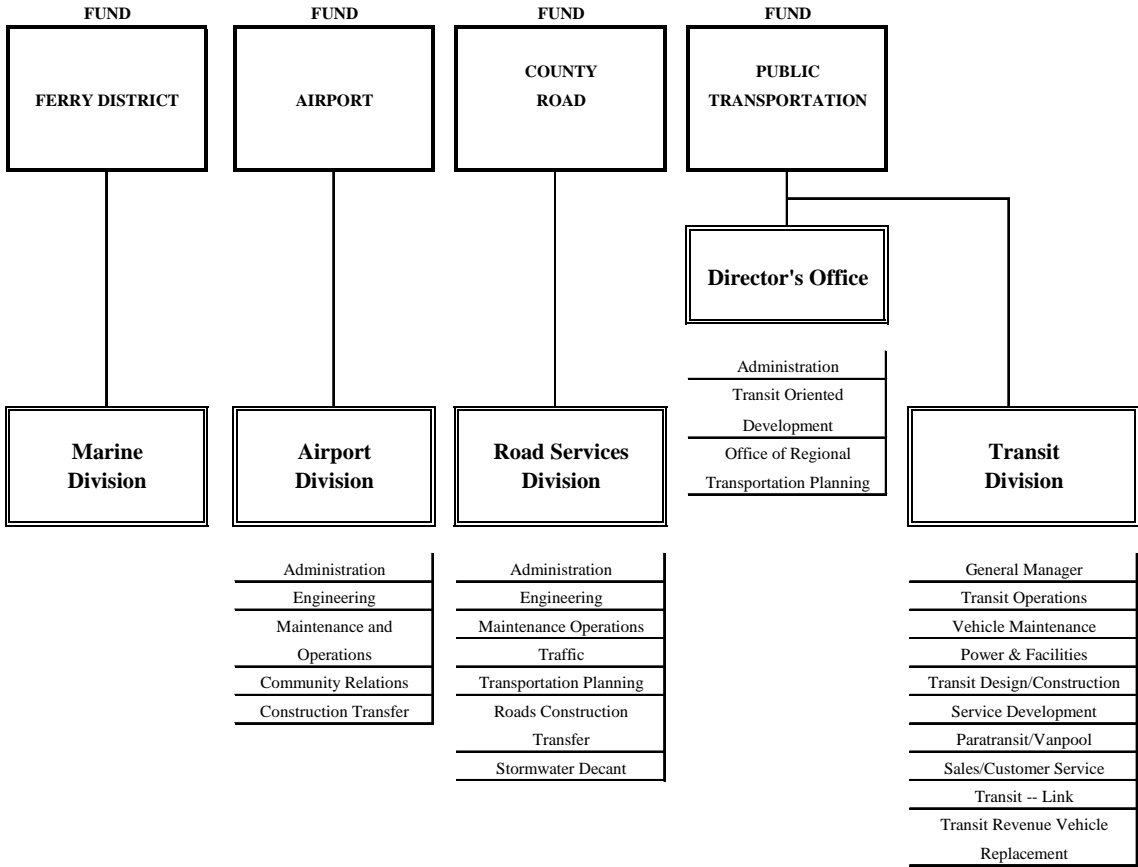

Transportation

PHYSICAL ENVIRONMENT PROGRAM PLAN



TRANSPORTATION

Mission

Transportation

To improve the quality of life for the citizens of King County by providing mobility in a way that protects the environment, helps to manage growth, and reduces traffic congestion.

ISSUES AND PRIORITIES

The Department of Transportation (DOT) includes the following DOT divisions: DOT Director's Office; Road Services Division; King County International Airport; Transit Division; Marine Division; and Fleet Division. The 2010 / 2011 Executive Proposed Biennial Budget reflects a continuing need to address the transportation priorities of King County efficiently and economically within funding constraints. Many DOT divisions continue to ex-

perience significant financial pressures resulting from structural deficits and the declining economy. This has required prudent financial management on the part of all DOT divisions in order to preserve services to the community. The 2010 / 2011 Executive Proposed Biennial Budget includes proposals that are designed to respond to these financial constraints.

Biennial Budgeting

Since 1985, cities in the State of Washington have had the legal ability to adopt biennial budgets, and, in 1997, the legislature gave counties the authority to adopt ordinances providing for biennial budgets with a mid-biennium review and modification for the second year of the biennium (RCW 36.40.250). At the November 2003 general election, the voters of King County approved Proposition 1, amending Article 4 of King County Charter, authorizing the Council to adopt an ordinance establishing biennial budgeting. Ordinance 15545 authorizes biennial budgeting and Motion 12465 identifies Transit as the agency selected for a pilot study for the 2008 / 2009 biennium. Motion 12941 extends the biennial process to all of the Department of Transportation (DOT) for the 2010 / 2011 biennium.

Benefits of biennial budgeting can include better long range and strategic planning, a greater emphasis on policy, and opportunities to reduce budgeting staff time, particularly in preparing and reviewing the budget in the second year of the biennium. The budgets being proposed for DOT Divisions will be for the two year period of 2010 / 2011. Due to the current economic volatility and the structural funding challenges facing many DOT funds, a substantial mid-biennium update is anticipated next year.

The DOT Director's Office, King County International Airport, Road Services Division, and Fleet Division are not currently planning to make significant programmatic changes beginning mid-biennium. For these divisions and associated funds, the 2011 base budget is set by inflating the 2010 base budget by 3 percent. Each change included in the 2010 / 2011 biennial budget proposal represents a two year increment, with the second year portion of the increment equal to the first year's portion inflated at 3 percent.

The Marine and Transit Divisions are anticipating significant programmatic changes during the 2010 / 2011 biennium. Marine Division will bring operations for the West Seattle – Downtown Seattle and Vashon – Downtown Seattle routes in-house. Metro Transit will be adjusting service levels and identifying operational efficiencies in accordance with the County Executive's 9-Point Plan to address the projected revenue deficit. These changes will cause significant operational changes over the two years that will be reflected in the 2010 / 2011 mid-biennial budget proposal. Because many of the details of these operational changes will be worked out over the course of 2010, Marine Division and Transit Division have developed their biennial budgets using a mid-biennial base budget adjustment process. Rather than inflating 2010 base by 3 percent, the Marine and Transit divisions built a 2011 base budget by annualizing incremental changes and eliminating one-time expenditures made in the first half of the biennial, and then adjusting cost drivers, such as central rates, COLA, and fuel costs, anticipated to change throughout the biennial period. Detailed assumptions are included in the Marine

PHYSICAL ENVIRONMENT PROGRAM PLAN

and Transit Division write-ups.

Transportation Director's Office

The DOT Director's Office advances the missions and goals of the department's Transit, Road Services, King County International Airport (KCIA), Fleet Administration, and Marine divisions by providing leadership and coordination as well as direct services to the divisions. Specifically, the DOT Director's Office provides: (1) overall department leadership resulting in shared goals and collaboration on transportation service delivery, grant applications, and transportation policy; (2) human resources, information technology, and budget and finance support to the divisions; (3) coordination for countywide initiatives including strategic planning, performance management and performance measurement, energy saving and global warming mitigation, equity and social justice, and service to rural communities; (4) essential services to divisions including community information and outreach and grant application and processing; and (5) leadership for special projects.

The Director's Office budget resides in the Public Transportation operating fund (along with Transit operations). Division operations are funded primarily through overhead and direct service charges to the DOT divisions and other King County departments, and the bulk of the DOT Director's Office revenues are derived from overhead charges to the Transit Division. As several of the DOT divisions are experiencing significant budget shortfalls, including Transit with an estimated \$213 million shortfall over the 2010 / 2011 biennium, the Director's Office is sensitive to the impact its overhead costs have on these divisions.

Consistent with cost cutting measures in other DOT divisions, the DOT Director's Office has also proposed staffing and cost reductions. During 2009, the Director's Office staff conducted a thorough review of services provided. This review resulted in the consolidation of the Media Relations and Community Relations offices into the new Communications unit, the elimination / reduction / reclassification of administrative positions, reduction of consulting costs, and the elimination of two staff positions supporting the Transit Oriented Development program in an effort to align support levels with anticipated reduced Transit program costs.

Additionally, the Director's Office has been actively pursuing revenues to fund its activities and offset costs to the divisions. Grants and fees in the amount of \$303,000 have been granted and programmed in the Director's Office budget for the 2010 / 2011 biennium, resulting in a savings to the DOT divisions.

While these changes resulted in a decrease in the Director's Office budget and a corresponding decrease in the overhead charged to other DOT divisions, the division's budget and staffing was also significantly impacted by the King County IT Reorganization initiative. This efficiency initiative resulted in the transfer of 59.75 positions from KCIA, Road Services, and Transit divisions, with a resulting increase of the Director's Office of approximately \$15 million over the biennium. The increase in IT positions and costs in the DOT Director's Office are offset by commensurate IT position and cost reductions in other DOT divisions.

Transit Division

The mission of the King County Metro Transit Division is to provide the best possible public transit services to get people on the bus and improve regional mobility and quality of life in King County. Metro Transit has twice been honored as the best-run large public transportation system in North America and in 2009 was named a bus safety award winner by the American Public Transportation Association. The Transit Division operates a fleet of about 1,300 vehicles – including standard and articulated coaches, electric trolleys, dual powered buses, and hybrid diesel-electric buses – and in 2009 will serve an annual bus ridership of 100 million people within a 2,134 square mile area. Metro Transit serves riders who are disabled with accessible fixed route service (all Metro buses have wheelchair lifts or ramps and all routes and trips are accessible) as well as paratransit van service and a taxi

PHYSICAL ENVIRONMENT PROGRAM PLAN

script program.

Metro Transit is more than buses. For over 30 years, Metro has been committed to providing environmentally healthy and energy-wise transportation. The Transit Division operates the largest publicly owned vanpool program in the country with more than 600 vans making more than 2.9 million trips per year. More than 5,000 people use these vans every day, eliminating a least 4,500 vehicles from area roads. The regional Ridematch system helps commuters form and sustain new carpools and vanpools in seven counties by matching names in a computer database. To help meet future needs and ease severe downtown traffic congestion, Metro Transit operates a 1.3-mile electric bus tunnel underneath downtown Seattle.

The King County Transit Division operations are funded by the Public Transportation Fund, which is comprised of three sub-funds: operating, capital, and fleet replacement. There are several revenue sources for these sub-funds, but the main revenue source for the operating fund is sales tax, which provided approximately 65 percent of operating revenues in 2008. Projected operating fund sales tax revenues for 2010 are approximately 12 percent less than 2008 actual values. Sales tax revenues for the operating fund are not expected to return to 2008 levels until at least 2013.

While sales tax operating revenues have declined substantially, operating expenditures continue to increase. Operating costs are expected to increase over the biennium, driven by inflationary pressures as the economy recovers and increased bus service related to the following: the voter-approved Transit Now program, which includes RapidRide and Partnerships; revenue backed partnerships, such as the Urban Partnership Program; and the Alaskan Way Viaduct mitigation. In addition, Access paratransit ridership increases resulting primarily from state cuts in transportation for the Adult Day Health (ADH) program are also increasing costs.

The combination of reduced revenues and higher costs has resulted in a \$213 million deficit for Transit operations for the 2010 / 2011 biennium, necessitating cost cutting measures to balance the budget. The King County Executive is proposing a 9-point plan to address the Transit Division's revenue shortfall. That 9-point plan includes the following activities:

1. Deferred bus service expansion;
2. Cuts to the capital program;
3. Non-service related cuts, which include reductions of approximately 10% for activities identified as complementary programs or enhanced service quality;
4. New property tax revenue;
5. Tapping operating reserves;
6. Increasing fares;
7. Using fleet replacement reserves;
8. Implementing operating efficiencies identified in the recently completed Transit Performance Audit; and
9. Reducing baseline bus service.

The Transit Division's 2010/2011 budget implements this 9-point plan. Both the 9-point plan and the proposed Transit budget represent a four-year plan designed to address the decline in projected sales tax revenues as well as resulting budget deficits anticipated for several out years.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Because the Transit Division's budget includes reductions in response to economic conditions as well as service increases associated with existing commitments and regulatory requirements, the development of a meaningful biennial budget for the Transit Division required a concerted effort to determine costs for program changes, making the best estimates possible for change drivers effecting the second year of the biennium.

The tables below highlight the key assumptions used in preparing both the 2010 and 2011 components of the biennial budget. The mid-biennial review will focus on how these assumptions have changed and the impact any changes have on the services to be delivered by the Transit division.

General Assumptions

Category	2010	2011
COLA (other than ATU Local 587)	2.00%	3.24%
COLA (ATU Local 587)	3.00%	3.24%
CPI - National	-0.40%	3.60%

Revenue Assumptions

Category	2010	2011
Sales Tax – annual growth rate	1.08%	3.37%
Fare Revenue – with increases in 2010 and 2011	\$118.0 million	\$131.1 million
Ridership	109.8 million	107.2 million
Federal Capital Grants (including ARRA funds)	\$128.2 million	\$141.7 million

Expenditure Assumptions

Category	2010	2011
Employee Benefits – flex rate	\$1,194 per month	\$1,325 per month
Retirement Rates (PERS)	5.31%	6.91%
Diesel Fuel	\$2.35 per gallon	\$2.54 per gallon
Gasoline	\$2.27 per gallon	\$2.47 per gallon
Cost Per hour – Bus	\$124.91	\$133.27
Cost Per hour – Access	\$39.81	\$41.67
Contract Expenses (Bus)	\$71.1 million	\$77.9 million

Service Expectations

Prior to the economic downturn, the Transit Division planned significant expansion in keeping with Transit Now commitments, approved by voters in November 2006. However, facing significant cost constraints from reduced sales tax revenue, this biennial budget limits funding for service additions primarily to Transit Now RapidRide Corridors, Partnership Initiatives, and Alaskan Way Viaduct mitigation activities. In addition, the budget includes reductions in baseline bus service to meet available revenues. The table below shows the service hours that are currently planned to be added and removed during the biennial period.

Service Category	2010	2011
Transit Now RapidRide Corridors	34,000	23,000
Service for Developing Areas	-400	-
Transit Now Partnership	51,221	6,750
Revenue Backed Partnerships	29,500	-
Alaskan Way Viaduct Mitigation	58,170	4,400
Sound Transit Regional Express	23,654	24,080
Other Bus Service	12,690	915
Subtotal	208,835	59,145
Unspecified Bus Service Reductions	(135,000)	(175,000)

PHYSICAL ENVIRONMENT PROGRAM PLAN

Total Service Hour Changes	73,835	(115,855)
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Transit Fare Increase

The 2010/2011 Executive Proposed Biennial Budget incorporates fare increases in 2010 across many categories of transit ridership per Ordinance 16299, passed on November 17, 2008. In addition to the adopted 2010 fare increases, the Transit Division is also proposing additional 2011 fare increases for various categories of ridership. Despite fare increases in recent years, fare collections and sales tax revenues have not kept pace with the growth in total Transit costs. The fare increase will support the preservation of service and is projected to result in an operating cost recovery from fare revenue of approximately 28% during the biennium, which is slightly higher than the goal of 25% in the adopted King County Council policies for transit funding by users. A comparison of current fares, 2010 adopted fares (with an effective date of January 1, 2010), and 2011 proposed fares is presented in the table below.

Fare Categories	Current	2010 Adopted	2011 Proposed
Cash			
Adult Off-Peak	\$1.75	\$2.00	\$2.25
Adult Peak 1-Zone	\$2.00	\$2.25	\$2.50
Adult Peak 2-Zone	\$2.50	\$2.75	\$3.00
Youth	\$0.75	\$0.75	\$1.00
Senior/Disabled Off-Peak	\$0.75	\$0.75	\$1.00
Senior/Disabled Peak	\$0.75	\$0.75	\$1.00
Access	\$1.00	\$1.00	\$1.25
Monthly Retail Passes			
Adult Off-Peak	\$63.00	\$72.00	\$81.00
Adult Peak 1-Zone	\$72.00	\$81.00	\$90.00
Adult Peak 2-Zone	\$90.00	\$99.00	\$108.00
Youth	\$27.00	\$27.00	\$36.00
Senior/Disabled	\$9.00	\$18.00	\$24.00
Access	\$27.00	\$27.00	\$45.00

New Property Tax

Lastly, the 2010 / 2011 Executive Proposed Biennial Budget seeks a 5.5 cent increase in property taxes for bus service. Councilmanic authority to raise property taxes by 7.5 cents was approved by the State Legislature in 2009. The 2010 Executive Proposed Budget only includes 5.5 cents of this authority. By law, the first cent of the new property tax must be dedicated to expand bus service across SR 520, while the remaining increase can be used for general transit services. Under the executive plan, the remaining 4.5 cents of the property tax will be dedicated to support the planned RapidRide service expansion. The 5.5 cent property tax increase will raise \$58 million for transit over four years.

Recognizing that the downturn in the economy is putting a strain on the finances of King County residents, the executive proposed property tax increase for transit is entirely offset by reducing the property tax rate of two other property tax levies: AFIS (one cent reduction) and the Ferry District (4.5 cent reduction).

PHYSICAL ENVIRONMENT PROGRAM PLAN

Marine Division

The Marine Division, under contract with the King County Ferry District, provides passenger-only ferry service in King County. Marine transit provides transportation alternatives to the residents of King County, reduces vehicle use on local roads, is an effective and vital mitigation to major highway construction-caused congestion, and contributes to the county's emergency preparedness stance. Currently, the Marine Division operates two passenger-only ferry routes, including the West Seattle-Downtown Seattle route and the Vashon-Downtown Seattle route.

The primary funding sources for the passenger ferry service are the King County Ferry District property tax levy and farebox revenues. Currently, the Ferry District assesses a levy of 5.5 cents per \$1,000 assessed value, which supports the existing passenger-only ferry routes plus plans to implement five demonstration routes and possible expanded service. Recognizing the weak economy is straining the personal finances of King County residents and the financial position of many King County funds, the executive has examined all property tax assessments and is proposing to strategically realign those assessments to match service delivery priorities. In order to neutralize the impact of the Transit 5.5 cent property tax increase on homeowners, the 2010 / 2011 Executive Proposed Biennial Budget lowers the Ferry District property tax levy by 4.5 cents and the AFIS levy by 1 cent.

This plan leaves the Marine Division with sufficient revenue to support bringing in-house operations of the two existing passenger-only ferry routes, including the West Seattle-Downtown Seattle and the Vashon-Downtown Seattle routes. The division would no longer fully support the analysis and study or implementation of demonstration routes, originally contemplated in the Marine Division business plan. The one-cent Ferry District levy assumption does not sustainably fund the Marine Division's efforts to provide current levels of service. The one-cent levy assumption creates a deficit in the Marine Division budget beginning in 2014, assuming the continuation of in-house operations of the two existing routes. Further analysis of the division's operations and administrative costs will be necessary in order to create a sustainable budget in outyears.

Labor negotiations with the maritime unions were successful in 2009 and the 2010/2011 Executive Proposed Biennial Budget provides expenditure authority to hire new positions to the county, including Marine Captains, Marine Deckhands, Marine Engineers, Marine Oilers, and Information Agents. These operations crew positions are crucial to the goal of running operations in-house. Except for the elimination of the Division Director, this proposal assumes full staffing of Marine Division administration in the biennium, including operations and maintenance managers, a communications manager, finance and administrative services managers, and an administrative specialist.

The Marine Division, as a part of the Department of Transportation, budgeted for the 2010-2011 biennium. Because the Marine Division biennial budget reflects in-house operations of both existing routes and major reductions in costs, primarily in consulting costs, the development of a meaningful biennial budget for the division required a concerted effort to determine accurate costs for program changes, making the best estimates possible for change drivers affecting the second year of the biennium. The tables below highlight the key assumptions used in preparing both the 2010 and 2011 components of the biennial budget. The mid-biennial review will focus on how these assumptions have changed and the impact any changes have on the services to be delivered by the Marine Division.

General Assumptions

Category	2010	2011
COLA	2.00%	3.24%
CPI - National	-0.40%	3.60%

Revenue Assumptions

PHYSICAL ENVIRONMENT PROGRAM PLAN

Category	2010	2011
Ferry District Property Tax Levy	1 cent / \$1,000 AV	1 cent / \$1,000 AV
Fare Revenue	\$ 843,000	\$ 973,000
Ridership	380,000	445,000

Expenditure Assumptions

Category	2010	2011
Employee Benefits – flex rate	\$1,194 per month	\$1,325 per month
Retirement Rates (PERS)	5.31%	6.91%
Diesel Fuel	\$2.35 per gallon	\$2.54 per gallon
Current Expense Overhead (rate of growth)	3.00%	2.00%

Road Services Division

The King County Road Services Division (RSD) designs, builds, operates, and maintains roads and bridges in unincorporated King County. RSD is funded primarily through the road levy property tax and a portion of the state-wide gas tax. In recent years, the division has developed a significant, structural funding gap in that revenue growth from the road levy does not keep pace with rising operating costs. The road levy property tax is limited to one percent growth each year plus new construction. Due to the economic climate, new construction is down. Meanwhile, commodity costs such as steel and asphalt for construction projects have risen faster than the Consumer Price Index over the years. Severe winter storms in the last few years have required increased expenditures for emergency response and repair work. Road Services has also identified significant expenditure demands to maintain its aging bridges and road infrastructure.

For a number of years, RSD needed to resort to one-time property sales to sustain funding levels in the capital improvement program (CIP) and balance their financial plan. Reliance on these transactions is problematic, especially in these depressed economic times. The Road Fund has ended several years with a negative fund balance partially due to delayed property sales: -\$1 million in 2006, -\$9 million in 2007, and -\$17 million in 2008. The 2010 / 2011 Executive Proposed Biennial Budget takes the steps necessary to reverse these trends and maintain target fund balances by shifting the majority of property sale revenue assumptions out to 2012 and reducing the CIP. RSD identified project efficiencies and deferrals in order to reduce the transfer of operating funds to CIP in 2009 by \$19 million. The division has also found approximately \$2 million in operating underexpenditures due to vacancies and the deferral of a building expansion for the stormwater decant program in order to balance their 2009 financial plan.

While the division's main revenue sources are not sufficient to maintain current operations and service levels, RSD has identified a growing backlog of infrastructure preservation needs. Winter storms have grown in frequency and severity resulting in an increased amount of expenditures on emergency response and storm repair costs over the years. Storms over the last three years have cost RSD approximately \$27 million, of which only \$15 million will be reimbursed by the Federal Government. This creates additional strain on the Road Fund. In addition to the growing backlog of maintenance projects, the amount that RSD transfers to the General Fund for traffic enforcement has increased significantly over the years from \$389,205 in 2001 to \$5.7 million in 2009. Both the storm work and the transfer to the Sheriff's Office decrease RSD's ability to address a growing backlog of deferred maintenance on its aging infrastructure. Because deferred maintenance over time results in more costly major maintenance in future years, the funding gap makes it difficult to pursue optimal lifecycle management strategies for county roads.

In response to a 2008 Adopted Budget proviso, staff representatives from RSD, OMB, King County

PHYSICAL ENVIRONMENT PROGRAM PLAN

Office of Strategic Planning and Performance Management, King County Council, and Facilities Management Division worked together on the Road Services Division Operational Master Plan (ROMP) to develop a policy framework on how RSD will operate now and in the future.

Preliminary findings from Phase I of the ROMP have informed the 2010 / 2011 Executive Proposed Biennial Budget. Seeing little likelihood of additional revenues in the short term, the ROMP Advisory Committee worked to prioritize activities within RSD's current revenue projections. The ROMP assumes all urban unincorporated areas are annexed or incorporated in the near term; the long term responsibility of RSD will be the remaining rural areas. After analyzing several operational models, the Advisory Committee found that neither mobility nor capacity can be adequately advanced without functioning road assets. The committee has also discovered that safety and legal mandates are a foundation of all RSD projects and programs. Therefore, the ROMP Advisory Committee recommends RSD prioritize preserving roadway infrastructure the county expects to retain over the long-term.

Once the county council approves the Phase I document and Phase II work plan in Proposed Motion 2009-0514, the Advisory Committee will commence Phase II of the ROMP. The 2010/2011 Executive Proposed Biennial Budget does not include additional budget for completion of the ROMP with the understanding that the division will use existing staff to complete the ROMP without consultant assistance.

King County International Airport

The King County International Airport (KCIA) supports the economic vitality of the county, the National Air Transportation System, and provides safe and continuous general aviation airport services. The Federal Aviation Administration classifies KCIA as a Class II, primary non-hub commercial service, aviation reliever airport. KCIA is home to over 150 tenant businesses such as the Boeing Company, United Parcel Service, DHL, BAX Global, Galvin, and Clay Lacy.

KCIA is funded through a variety of fees and lease agreements with KCIA tenants. Revenue is coming in lower than projected due to delayed lease settlements and decreased revenue from landings and fuel purchases. The reduced landings and fuel delivery are attributable to the struggling economy. Reduced landings and fuel delivery are currently projected to last through 2011.

KCIA plans to mitigate the revenue shortfall by reducing their transfer from the operating fund to its capital improvement program in 2010 and 2011. By containing expenditure growth and adjusting to market rental rates on leases, KCIA will be able to further invest in airport infrastructures and facilities.

Fleet Administration

The Fleet Administration Division (Fleet) manages three equipment rental and revolving funds in order to provide Fleet support services to most county agencies. In accordance with this directive, the division manages the acquisition, maintenance, replacement and disposal of more than 2,600 vehicles and equipment. The division also purchases and warehouses a large and diverse inventory of construction materials and supplies, traffic signals, safety equipment and hand tools. Further, the division accounts for the \$2 billion capitalized assets countywide and the disposal of all surplus property. Fleet also administers the county take-home vehicle authorization program and supports departments in right-sizing their fleets.

Fleet charges customer agencies based on a full-cost recovery model. The rates charged to agencies are based primarily on three factors: vehicle use, vehicle maintenance, and vehicle replacement. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle.

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This vehicle replacement model considers variables such as annual costs, resale or salvage value, and purchase price.

The 2010 recovery rates are based on 2008 actual use, thus volatile and escalated fuel costs in 2008 impact 2010 rates. However, the agency has taken cost-saving measures in order to mitigate the effects of past increased costs and the 2010/2011 Executive Proposed Biennial Budget reflect these reduced costs and increased efficiencies. The implementation of the Unattended Dispatch System at the Goat Hill and King Street Center garages, for example, provides around-the-clock access to county vehicles and decreases the costs of the dispatch vehicle system.

In response to a performance audit recommendation, a Vehicle Utilization Committee was established with participation from departments throughout the county. The committee's goal was to set minimal vehicle usage standards and an enforcement process. The policy outcome would suggest fewer assigned vehicles, reducing overall costs. With fewer assigned vehicles, Fleet anticipates increased number and use of Motor Pool Daily Rental (Dispatch) vehicles.

The county is committed to environmentally-sound practices, exemplified through membership in the Chicago Climate Exchange and other executive policies. Although these are strong considerations when vehicle replacement decisions are made, it is often difficult for the departments/divisions to fund the additional \$10,000 cost for a hybrid vehicle. Fleet intends to "loan" this incremental amount for the purchase of hybrid vehicles, while recovering the cost over a period of three years through the vehicle rental rates. This would produce a more environmentally-friendly fleet in a shorter period of time. Analysis shows that the return on investment can range from 19 – 23 percent and the life cycle cost for hybrid vehicles to more than pay for the upfront vehicle purchase price. Additionally, some agencies such as Fleet, Transit and the Department of Development and Environmental Services have acquired grant funding to help in the marginal costs of hybridization and electrification of new fleet vehicles.

Information Technology (IT) Reorganization

The IT Reorganization Program will implement a new organizational structure for King County Information Technology (IT) that will enable improved IT services and more efficient IT operations. In the Department of Transportation (DOT), IT resources from within divisions in DOT will be moving into a central IT group in the DOT Director's Office. In addition to labor changes, there are non-labor costs associated with the personnel that will be moved from the divisions into the DOT Director's Office. These costs for labor and non-labor will be allocated back to the divisions utilizing an overhead model specific to IT services. This model is calculated based on the cost of services each division is expected to utilize.

PHYSICAL ENVIRONMENT PROGRAM PLAN

The details of the reorganization are in the table below and are described in each division's detailed change item descriptions.

Department of Transportation – IT Reorganization

Division	Labor Expenditures	FTE's	IT Overhead Expenditures*
DOT Director's Office	14,276,820	59.75	(15,135,626)
Road Services	(2,160,062)	-9.00	2,272,857
Airport	(418,423)	-2.00	407,998
Transit	(11,700,375)	-48.75	12,435,083
Marine	0	0	0
Fleet	0	0	0
Total	(2,040)	0	(19,688)

*** The overhead for the Director's Office is a positive revenue for the division.**

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2010/2011 Adopted Biennium Budget for DOT Director's Office 4640/5010M

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	12,478,654	36.00	0.00
	Status Quo**	(6,190,607)	0.00	0.00
	Status Quo Budget	6,288,047	36.00	0.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget	6,476,688	0.00	0.00
		6,476,688	0.00	0.00
Council Changes				
CC01	Reduce Biennial Consulting/Professional Services	(787,000)	0.00	0.00
CC45	Eliminate OSS Contra	346,983	0.00	0.00
		(440,017)	0.00	0.00
Increased Efficiencies/Reduced Costs				
AS01	Reorganization/Organizational Cost Savings	(248,227)	(1.60)	0.00
AS04	Budget Position Reclassification	(86,149)	0.00	0.00
CS01	IT Reorganization - Non-Labor Expenditures	1,202,191	0.00	0.00
CS10	IT Reorganization	14,276,820	59.75	0.00
		15,144,635	58.15	0.00
Operational Shutdown Savings				
CR45	Operational Shutdown Savings Contra	(346,983)	0.00	0.00
		(346,983)	0.00	0.00
Revenue Reduction				
AS02	Transit Oriented Development (TOD) Staff Reductions	(227,638)	(2.00)	0.00
AS03	Consulting/Professional Services Expenditure Reductions	(203,000)	0.00	0.00
		(430,638)	(2.00)	0.00
Technical Adjustments				
TA05	Reconciliation of Loan Out Labor	327,652	0.00	0.00
TA50	Revenue Adjustment - (\$46,825)	0	0.00	0.00
CR01	Flexible Benefits	(47,940)	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(39,747)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	114	0.00	0.00
CR08	Technology Services Infrastructure Charge	1,199	0.00	0.00
CR09	Geographic Information Systems Charge	47	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	(4,933)	0.00	0.00
CR12	Telecommunications Overhead	(2,763)	0.00	0.00
CR13	Motor Pool Usage Charge	(11,833)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(10,728)	0.00	0.00
CR22	Long Term Leases	(4,840)	0.00	0.00
CR26	Retirement Rate Adjustment	(218,461)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(324)	0.00	0.00
CR30	Printing Loan Recovery	(69,059)	0.00	0.00
CR36	Property Services Lease Administration Fee	250	0.00	0.00
CR37	Facilities Management Strategic Initiative	(27,795)	0.00	0.00
CR38	Major Maintenance Repair Fund	11,736	0.00	0.00
CR39	COLA Adjustment	(6,334)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(6,045)	0.00	0.00
		(109,804)	0.00	0.00

DOT Director's Office

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for DOT Director's Office 4640/5010M

Code/ Item	Description	Expenditures	FTEs *	TLTs
Total Change Items for 2010/2011 Biennium Budget		20,293,881	56.15	0.00
2010/2011 Adopted Biennium Budget		26,581,928	92.15	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

P1 PROVIDED THAT:

Of this appropriation, \$50,000 may not be expended until the council approves by motion a report on organizational structure revisions of the department of transportation director's office. This report shall explain: (1) how the revised organizational structure streamlines management functions and provides a span of control consistent with best practices; and (2) how the director's office will transition the grant supervisor and the public affairs communication manager positions from managerial positions to positions providing front-line deliverables for grant advocacy and public information officer functions without the added layers of management. The report shall include an updated organizational chart.

The report required to be submitted by this proviso must be filed by February 28, 2010, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

PROGRAM HIGHLIGHTS

Department of Transportation Director's Office

The Department of Transportation (DOT) Director's Office will continue to provide department-wide leadership, advocacy, and support for all DOT divisions while also working to achieve alignment with the county's reorganization of technology staff and to implement strategies to reduce costs. The 2010-2011 biennial budget for the DOT Director's Office is \$27,021,945 and 92.15 FTEs.

2011 Base Budget

2011 Base Budget. This change inflates the 2010 base budget to generate the 2011 base for the 2010 / 2011 biennial budget.

Increased Efficiencies/Reduced Costs

Reorganization/Organizational Cost Savings – (\$248,227) / (1.60) FTE. This proposal consolidates the Media Relations and Community Relations offices into the new Communications unit, resulting in the elimination of 1.60 FTE (reduction of 1.00 FTE communications specialist, reduction of photographer to part time (0.50 FTE), and reduction of a special projects manager to 0.90 FTE). This proposal accomplishes organizational efficiencies and cost reductions necessitated by current economic conditions.

Budget Position Reclassification – (\$86,149). This proposal reclassifies the Business and Finance Officer IV position to a Business and Finance Officer II level.

IT Reorganization – Non-Labor Expenditures – \$1,202,191. In order to create a clear line of accountability for executive branch IT, DOT is updating its IT organizational structure. This proposal provides operating supplies and training for the 59.75 FTEs transferred to the Director's Office from various DOT divisions as a part of the IT reorganization.

IT Reorganization – \$14,276,820 Expenditure / \$2,700,539 Revenue / 59.75 FTEs. In order to create a clear line of accountability for executive branch IT, DOT is updating its IT organizational structure. This proposal transfers 59.75 IT FTEs from various DOT divisions to the Director's Office. The adjustment brings in 2 FTEs from Airport, 9 FTE from Road Services, and 48.75 FTEs from Transit. Corresponding reductions are reflected in each division's budget. This change also includes the revenue from the overhead rate being charged to the various DOT divisions to cover the costs of the IT services these divisions will be receiving from the centralized technology group. However, it does not include Transit overhead revenue because Transit and DOT Director's Office reside in the same fund.

Operational Shutdown Savings

Operational Shutdown Savings Contra – (\$346,983). In the face of the severe fiscal challenges across all county funds, the 2010 Executive Proposed Budget includes savings assumptions in an effort to preserve direct services. For 2009, savings were achieved through the implementation of a ten-day building and/or operational closure program, resulting in labor furloughs. The 2010 budget is balanced across all funds assuming that a similar level of savings will be achieved in each agency based on the furlough eligible employees as was adopted for 2009 including 2009 council amendments. The specific details of the 2010 plan are still under development, and discussions with labor unions and individual agencies are on-going. Specific plans describing how the 2010 savings will be achieved will be transmitted to the council in the coming weeks. To the extent that savings, from labor or other expenses, cannot be fully achieved through temporary and short term building and/or op-

PHYSICAL ENVIRONMENT PROGRAM PLAN

erational closures, the plan will describe additional programmatic reductions and the elimination of additional positions. This change includes savings for 2010 only.

Revenue Reduction

Transit Oriented Development (TOD) Staff Reductions – (\$227,638) / (2.00) FTEs. This proposal reduces TOD support staff in the Director's Office through the elimination a special project manager position and a program manager position. The Office of Regional Transportation Planning (ORTP) Manager will continue to lead the program, which will be staffed by existing transit staff. This proposal is part of the Director's Office efforts to contain costs.

Consulting/Professional Services Expenditure Reductions – (\$203,000). This proposal results in a 22 percent reduction in the Director's Office budget for consulting/professional services. This proposal also supports cost reduction and containment.

Technical Adjustment

Reconciliation of Loan-Out Labor – \$327,652. This proposal reconciles the loan-out labor charge for various Director's Office positions with loan-out labor experienced in prior years and anticipated for the 2010 / 2011 biennium.

Revenue Adjustment – (\$46,825) Revenues. This adjustment makes several revisions to revenue accounts to match the 2010 / 2011 financial plan.

Central Rates – (\$437,456). This series of adjustments captures the net effect of countywide charges and results in a \$437,456 reduction in charges to the DOT Director's Office. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

C O U N C I L A D O P T E D B U D G E T

Reduce Biennial Consulting/Professional Services - (\$787,000). The 2010 adopted budget reduces the Director's Office consulting budget by \$787,000 over the two years of the biennium.

Eliminate OSS Contra - \$346,983. This change removes the operational shutdown savings (OSS) in the Executive Proposed budget for this appropriation.

2010/2011 Adopted Biennium Budget for Transit 4640/5000M

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	1,139,814,063	4,137.97	27.71
	Status Quo**	(533,031,472)	(42.79)	(0.71)
	Status Quo Budget	606,782,591	4,095.18	27.00
Contra Add Back		0		
2011 Base Budget				
TA25	2011 Base Budget	592,386,878	(3.83)	(1.50)
		592,386,878	(3.83)	(1.50)
Council Changes				
CC01	Various Operating Expenditure Reductions	(619,186)	(10.39)	0.00
CC02	Additional Performance Audit Activities	350,000	0.00	0.00
CC03	Various Staff Reductions	(1,106,138)	(14.00)	0.00
CC04	Support for RPC	100,000	0.00	0.00
CC05	Various Service Cost Reductions	(303,663)	(0.94)	0.00
CC06	Performance Audit Staff Changes	(110,635)	(3.00)	0.00
CC45	Eliminate OSS Contra	1,417,791	0.00	0.00
		(271,831)	(28.33)	0.00
Ensure Customer Service				
PC32	Paratransit Service - ADH Ridership Impacts	2,823,222	0.00	0.00
RB01	Bus Service - Rapid Ride, Partnerships, Sound Transit, Alaskan Way Viaduct Mitigation	25,816,911	178.43	0.00
RB02	Paratransit Service - Additions and Changes	3,808,980	0.00	0.00
RB03	Vanpool Service - Increase in Service	(1,380,426)	0.00	0.00
RB05	Ferry Customer Service	137,722	0.83	0.00
TA05	Transit Oriented Development - Staff Transfer from DOT Director's	143,497	1.00	0.00
		31,349,906	180.26	0.00
Increased Efficiencies/Reduced Costs				
CS01	IT Reorganization - Non-Labor Charges	(531,640)	0.00	0.00
CS10	IT Reorganization - Labor Charges	(5,763,732)	(48.75)	0.00
PC36	Performance Audit Implementation	354,626	3.00	0.00
		(5,940,746)	(45.75)	0.00
Manage Costs/Ensure Revenue				
PC09	Capital Projects - Staff Reductions	9,871	(1.00)	(4.00)
PC25	ORCA Operations - Contract Obligations	341,809	3.00	0.00
PC31	Service Development - Staff Reductions	(103,632)	(0.75)	0.00
RB04	Link Light Rail Operations	562,871	0.00	0.00
RB06	South Lake Union Streetcar Operations	70,499	0.00	0.00
		881,418	1.25	(4.00)
Operational Shutdown Savings				
CR45	Operational Shutdown Savings Contra	(1,417,791)	0.00	0.00
		(1,417,791)	0.00	0.00
Revenue Backed				
RB08	Paratransit Service - Special Needs WSDOT Grants	228,719	0.00	0.00
		228,719	0.00	0.00
Revenue Reduction				
DS01	Bus Service - Baseline Service Reduction	(15,416,673)	(133.64)	0.00

2010/2011 Adopted Biennium Budget for Transit 4640/5000M

Code/ Item	Description	Expenditures	FTEs *	TLTs
PC10	Service Development Operating Grants - Staff /Grant Reductions	(954,675)	(1.95)	0.00
PC12	Sales and Customer Services - Reorganization/Staff Reductions	(132,148)	(1.00)	0.00
PC13	Service Development - Reorganization/Staff Reductions	28,178	(3.00)	0.00
PC14	Research and Management Information - Reorganization/Staff Reduction	(64,362)	(1.00)	0.00
PC15	Power and Facilities - Reorganization/Staff Reductions	(226,336)	(2.00)	0.00
PC21	General Manager - Membership Dues Reduction	(26,078)	0.00	0.00
PC22	Transit Safety - Non-Personnel Cost Reductions	(20,000)	0.00	0.00
PC23	Human Resources and Random Drug Program - Staff and Training Reductions	(286,655)	(1.00)	0.00
PC24	Transit Security - Transit Police Expansion Reductions	(1,011,651)	0.00	0.00
PC26	Excess Compensation Adjustment	(300,000)	0.00	0.00
PC27	Supervisors and Special Events/Control Center Support - Staff Reductions	(923,360)	(8.73)	0.00
PC28	Vehicle Maintenance - Apprentice Program Elimination and Interior Cleaning/Maintenance Reductions	(2,290,225)	(29.00)	0.00
PC29	Power and Facilities - Landscaping Staff/Community Work Program Reductions	(228,974)	(1.00)	0.00
PC30	Design and Construction - Speical Permits, Street Vacations, and Other Staff Reductions	(176,475)	(1.00)	0.00
PC33	Paratransit Service - Staff/Spending Reductions	(303,341)	(2.00)	0.00
PC34	Vanpool Service - Staff/Spending Reductions	(96,579)	(1.00)	0.00
PC35	Sales & Customer Services - Marketing/Promotions and Customer Information/Services Changes	(858,891)	(6.00)	0.00
		(23,288,245)	(192.32)	0.00
Technical Adjustments				
TA03	Utilities, Taxes, Assessments, and Other Cost Adjustments	1,455,191	0.00	0.00
TA06	Update 2010 COLA Assumption and 2011 Wages and Benefits	10,595,633	0.00	0.00
TA07	Carryforward Changes	1,950,652	3.83	1.50
TA08	Revenue Adjustments (\$4,505,673)	0	0.00	0.00
CR01	Flexible Benefits	1,773,172	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(5,458,227)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(1,703)	0.00	0.00
CR08	Technology Services Infrastructure Charge	337,172	0.00	0.00
CR09	Geographic Information Systems Charge	3,768	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	(498,494)	0.00	0.00
CR11	Telecommunications Services	(207,373)	0.00	0.00
CR12	Telecommunications Overhead	(62,684)	0.00	0.00
CR13	Motor Pool Usage Charge	(13,392)	0.00	0.00
CR14	Facilities Management Space Charge	(22,333)	0.00	0.00
CR15	Insurance Charges	(138,621)	0.00	0.00
CR16	Radio Access	12,106	0.00	0.00
CR17	Radio Maintenance	1,153	0.00	0.00
CR18	Radio Direct Charges	18,219	0.00	0.00
CR19	Radio Reserve Program	(2,496)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	1,047,451	0.00	0.00
CR21	Debt Service Adjustment	(504)	0.00	0.00
CR22	Long Term Leases	43,476	0.00	0.00
CR25	Financial Services Charge	(302,328)	0.00	0.00
CR26	Retirement Rate Adjustment	(2,887,017)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	1,599,130	0.00	0.00
CR30	Printing Loan Recovery	(414,238)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance	(34,744)	0.00	0.00
CR36	Property Services Lease Administration Fee	5,496	0.00	0.00
CR37	Facilities Management Strategic Initiative	96,844	0.00	0.00

2010/2011 Adopted Biennium Budget for Transit 4640/5000M

Code/ Item	Description	Expenditures	FTEs *	TLTs
CR38	Major Maintenance Repair Fund	(36,706)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(699,445)	0.00	0.00
		8,159,158	3.83	1.50
Total Change Items for 2010/2011 Biennium Budget		602,087,466	(84.89)	(4.00)

2010/2011 Adopted Biennium Budget for Transit

4640/5000M

Code/ Item	Description	Expenditures	FTEs *	TLTs
2010/2011 Adopted Biennium Budget		1,208,870,057	4,010.29	23.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, \$1,800,000 may not be expended until the executive, following transit division collaboration with a regional stakeholder task force, transmits an ordinance amending the Transit Comprehensive Plan and Transit Strategic Plan to establish a framework to guide the growth and, if necessary, contraction of King County's transit system.

Any plan and ordinance required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinators for the physical environment committee, and the regional transit committee or their successors. If the ordinance and recommendation is not filed by December 15, 2010, appropriation authority shall lapse for the \$1,800,000 restricted by this proviso.

ER2 EXPENDITURE RESTRICTION:

Of this appropriation, \$350,000 shall be expended solely to support an audit of the transit division conducted by the county. The likely areas of this audit include:

- a. Procurement of buses (analysis of process, criteria, financial and other analyses used by the transit division);
- b. Vehicle maintenance staffing;
- c. Ride free area methodology;
- d. Additional review of the financial plan;
- e. Tracking of implementation of new (onboard) data systems and ORCA systems (including business accounts); and
- f. ACCESS Program staffing and efficient use of the ACCESS fleet.

ER3 EXPENDITURE RESTRICTION:

Of this appropriation, \$1,800,000 may not be expended until the executive transmits a motion establishing a detailed work plan for a regional stakeholder task force to consider a policy framework to guide the growth and, if necessary, contraction of King County Metro Transit's system.

The work plan shall include a scope of work, tasks, schedule, milestones and the budget and appointment criteria/process for municipal and community stakeholders, and a coordinated staff working group.

The charge to the task force shall be to develop recommendations by September 2010 that will identify short term and long term objectives for transit service investment, and formulate a service implementation policy implementing those objectives.

The motion and work plan for the regional stakeholder process required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee or its successor. If the proposed motion and work plan are not transmitted by January 31, 2010, appropriation authority shall lapse for the \$1,800,000 million restricted by this proviso.

ER4 EXPENDITURE RESTRICTION:

Of this appropriation, \$275,000 shall be expended solely for the staffing and support of a senior-level two-year temporary position, such as a Program/Project Manager IV, focused on transit strategic planning outcomes as identified in the 2009 Transit Performance Audit Findings. The position shall be supervised jointly by the transit general manager's office and the office of strategic planning and performance management, but will be located in, and managed by, the office of strategic planning and performance management.

P1 PROVIDED THAT:

Of this appropriation, \$1,000,000 shall not be expended or encumbered until the executive transmits a report on fare evasion by April 30, 2010. The report shall provide an estimate of the extent and cost of fare evasion based upon the results of an intensive, limited duration, data collection effort that will involve a representative sampling of the entire system and be conducted in collaboration with the transit operators. The report shall also include recommended strategies to address fare evasion.

The report required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the regional transit committee and the physical environment committee or their successors.

P2 PROVIDED FURTHER THAT:

Of this appropriation, \$1,000,000 shall not be expended or encumbered until the executive transmits an ordinance to amend the Service Implementation Phasing Plan in the Transit Strategic Plan to show when transit revenues are projected to recover sufficiently to allow resumption of Transit Now service investments in Rapidly Developing Areas and the High Ridership/Core Network and when the deferred 140,000-hour investment in that service will be completed.

P3 PROVIDED FURTHER THAT:

The transit division may allow exterior advertising to cover bus side windows only if at least a fifteen inch clear band of glass is maintained for the entire length of each side of the bus. The transit division shall include in any agreement for exterior bus advertising the bus wrap limitation contained in this proviso and shall also require that any contractor include this restriction in any its subsequent exterior advertising agreements with third parties.

2010/2011 Adopted Biennium Budget for Transit

4640/5000M

Code/ Item	Description	Expenditures	FTEs *	TLTs
P4	PROVIDED FURTHER THAT: By September 1, 2010, the executive shall transmit a scope, schedule and work program developed in collaboration with council, for a 2011 trolley replacement alternatives study that identifies: a. The alternative bus propulsion technologies to be evaluated; b. The policy issues and choices associated with replacement alternatives; c. Provisions for public input; and d. Provisions for council input and monitoring. The scope, schedule and work program required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee, or its successor.			
P5	PROVIDED FURTHER THAT: In coordination with the State Route 520 Urban Partnership Agreement and the tolling of State Route 522, up to 5,000 annual bus service hours shall be delivered on State Route 522, as supporting bus service to the core State Route 520 Urban Partnership Agreement bus service, to mitigate the impacts of diversionary trips onto State Route 522. The actual amount of service to be delivered shall be based on a corridor service implementation plan transmitted by April 30, 2010, for adoption by ordinance. The implementation plan shall: (1) be developed cooperatively with Sound Transit and Washington state Department of Transportation to address peak and all day service changes consistent with the State Route 520 Urban Partnership Agreement and the 520 Tolling Implementation Committee recommendations; (2) be integrated with Sound Transit's bus service and Washington state Department of Transportation's tolling and traffic management investments; (3) include at least 28,000 hours of core State Route 520 bus service; (4) consider transit service-related mitigation needs for State Route 520, I-90, and State Route 522; and (5) include up to 5,000 annual bus service hours supporting the core State Route 520 bus service, to mitigate the impacts of diversionary trips onto State Route 522. The plan and ordinance required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee, or its successor.			
P6	PROVIDED FURTHER THAT: The transit division shall undertake a fare coordination effort with, at a minimum, Sound Transit, and other regional transit agencies if possible. The primary focus of that effort should be implementation of the 2009 Transit Performance Audit's recommendations regarding discounted youth and senior/disabled fares while also addressing the question of parity between fare categories. The transit division shall present a report on the status of that effort to the regional transit committee and physical environment committee or its successor by April 30, 2010, and the executive shall transmit recommended changes to fare policies or fares, or both by July 1, 2010.			
P7	PROVIDED FURTHER THAT: Of this appropriation, \$100,000 shall not be expended or encumbered unless, by August 1, 2010, the transit division has transmitted and the council has accepted by motion a report detailing the feasibility of implementing recycling and solar powered trash compaction at transit passenger facilities maintained by King County. At a minimum, the report shall include: 1. A discussion of current and past recycling and compaction efforts at King County buildings and their effectiveness; 2. A discussion of the number and location of passenger facilities that have waste receptacles and options for a pilot program at a representative cross section of passenger facilities; and 3. A detailed discussion of the potential for public-private partnerships that would make implementation more cost-effective. Furthermore, the report will provide options for implementing recycling and compaction at King County passenger facilities and the executive's preferred alternative. By another proviso, the facilities management division is to report on implementing recycling and compaction at King County buildings. Therefore, the transit and facilities management divisions are directed to collaborate and provide a joint report. The report and motion required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee, or its successor.			

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Transit Division – Transit Operating

The 2010 / 2011 Executive Proposed Biennial Budget for Transit Operating is \$1,209,141,888 with 4,038.62 FTEs and 23.00 TLTs.

2011 Base Budget

2011 Base Budget – \$592,386,878. This change inflates the 2010 base budget to generate the 2011 base for the 2010 / 2011 biennial budget.

Ensure Customer Service

The Metro Transit Division provides bus, paratransit, and vanpool services throughout King County. While Transit's primary funding source—sales tax revenue—has been significantly and negatively impacted in 2009 by the economic downturn, Transit continues to implement strategies to meet service commitments and demand.

Paratransit Service - ADH Ridership Impacts – \$2,823,222. Access paratransit service has absorbed ridership for Washington State Department of Social and Health Services (DSHS) adult day health (ADH) participants who are American's with Disabilities Act (ADA)-eligible beginning July 2009. This group of new Access riders is expected to generate an 8 percent growth in Access ridership. This is the primary cause of projected Access ridership growth in 2010 and 2011. An increase in ridership of 87,910 is projected, requiring 49,949 additional ACCESS service hours.

Bus Service – RapidRide, Partnerships, Sound Transit, Alaskan Way Viaduct Mitigation – \$25,816,911 / 178.43 FTEs. This proposal supports an increase in bus service in accordance with Transit Now RapidRide Corridors, Transit Now Partnerships and the Urban Partnership, Sound Transit Regional Express, and the Alaskan Way Viaduct commitments. The annual change in service hours for 2010 is as follows: (1) 34,000 hours of new Transit Now RapidRide Corridor service, (2) 51,221 hours of Transit Now Partnership service, (3) 29,500 hours of revenue backed partnership service, (4) 58,170 hours of Alaskan Way Viaduct mitigation service, (5) 23,654 hours of Sound Transit Regional Express service, and (6) 12,690 hours of other service. The annual change in hours of service for 2011 is as follows: (1) 23,000 hours of new Transit Now RapidRide Corridor service, (2) 6,750 hours of Transit Now Partnership service, (3) 4,400 hours of Alaskan Way Viaduct mitigation service, (4) 24,080 hours of Sound Transit Regional Express hour, and (4) 915 hours of other service. These additions result in an increase in 2010 budget hours of 99,775 bus hours and 11,589 DART hours. In 2011, budget service hours increase by 220,899 for bus service and 16,278 for DART service.

Paratransit Service – Additions and Changes – \$3,808,980. This proposal will allow Access to maintain the paratransit program at the service level described in the adopted ADA plan. The increase in projected Access costs for 2010 and 2011 are associated with (1) high contract costs due to escalation of pricing on an annual basis, (2) ridership growth generated from required service expansion associated with Transit Now, and (3) longer trips taken by customers. Access is expecting to provide 1.28 million boardings in 2010 and 1.30 million boardings in 2011. A total estimated 720,000 vehicle service hours in 2010 and an estimated 734,000 vehicle service hours in 2011 will be needed to support these boardings. Productivity is projected to be 1.76 rides per vehicle service hour in 2010 and in 2011.

Vanpool Service – Increase in Service – (\$1,380,426). This proposal supports existing commuter van service and funds an increase in service in 2010 and 2011. In 2008, the program experienced historic growth as employment remained strong and as gas prices increased to record levels. After reaching a high of 1,243 commuter van groups in operation at the end of 2008, the program has experienced losses in 2009. The program is expected to end 2009 down 60 to 70 groups as compared to 2008. The program is also expected to experience modest service increases in 2010 and 2011 of about 36 groups

PHYSICAL ENVIRONMENT PROGRAM PLAN

each year. While this proposal results in an increase in service, it nevertheless represents a reduction in anticipated expenditures when compared to 2009 adopted levels. This lower cost results from lower than expected service levels and a relatively younger fleet, both resulting in fuel and maintenance savings.

Ferry Customer Service – \$137,722 / 0.83 FTEs. This proposal supports the Marine Division's purchase of services from the Transit Sales and Customer Services Section. Services will include adding customer information to printed materials and electronic systems; receiving customer information and customer comments through telephone calls; processing, tracking, and reporting fare box revenues; and receiving and managing lost and found items.

Transit Oriented Development (TOD) – Staff Transfer from DOT Director's Office – \$143,497 / 1.00 FTE. This proposal represents the transfer of a Special Projects Manager II from the TOD program that was formerly located in DOT Director's Office to Transit.

Increased Efficiencies/Reduced Costs

IT Reorganization – Non-Labor Charges – (\$531,640). In order to create a clear line of accountability for executive branch IT, DOT is updating its IT organizational structure. This proposal provides operating supplies and training for the 48.75 FTEs transferred to the Director's Office from Transit as a part of the IT reorganization. As part of the county IT reorganization, this proposal transfers Transit IT budget elements to the Department of Transportation Administration Division.

IT Reorganization – Labor Charges – (\$5,763,732) / (48.75) FTEs. In order to create a clear line of accountability for executive branch IT, DOT is updating its IT organizational structure. This proposal transfers 48.75 IT FTE from Transit to DOT Director's Office. This proposal also includes the overhead charges from the Director's Office to cover the costs of the IT services the division is receiving from the centralized technology group.

Performance Audit Implementation – \$354,626 / 3.00 FTEs. This proposal involves implementation of recommendations from the recently completed Transit Performance Audit including the following: (1) expanded use of the HASTUS scheduling program to improve scheduling efficiency; (2) development of a comprehensive plan for Access service; (3) evaluation of vehicle maintenance preventive maintenance cycles; (4) development, tracking, monitoring, and implementation of a vehicle maintenance standard; (5) tracking and monitoring of unplanned work in vehicle maintenance; (6) enhanced and expanded financial planning and use of data analysis to support decision-making throughout Transit, and (7) analysis of issues associated with the Ride Free Area. Resources support temporary staff hires to develop scheduling models and conduct data analysis for the Access comprehensive plan and to revise the database to facilitate tracking and monitoring of unplanned vehicle maintenance work. It also supports permanent staff hires to develop, track, monitor, and implement new vehicle maintenance standards and perform enhanced and expanded financial planning and data-driven decision making. This change also includes consultant costs to provide training on the HASTUS scheduling program, to develop a new financial planning model, and to conduct analyses associated with the Ride Free Zone.

Operational Shutdown Savings

Operational Shutdown Savings Contra – (\$1,417,791). In the face of the severe fiscal challenges across all county funds, the 2010 Executive Proposed Budget includes savings assumptions in an effort to preserve direct services. For 2009, savings were achieved through the implementation of a ten-day building and/or operational closure program, resulting in labor furloughs. The 2010 budget is balanced across all funds assuming that a similar level of savings will be achieved in each agency based on the furlough eligible employees as was adopted for 2009 including 2009 council amendments. The

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specific details of the 2010 plan are still under development, and discussions with labor unions and individual agencies are on-going. Specific plans describing how the 2010 savings will be achieved will be transmitted to the council in the coming weeks. To the extent that savings, from labor or other expenses, cannot be fully achieved through temporary and short term building and/or operational closures, the plan will describe additional programmatic reductions and the elimination of additional positions. This change includes savings for 2010 only.

Manage Costs/Ensure Revenue

Pursuant to adopted financial policies, financial planning for the Transit program will balance service goals with the appropriate mix of operating and capital revenues and expenditures and reserves to maintain stability in the overall program. In addition, Transit works to identify opportunities to expand public transportation services through agreements with other organizations.

Capital Projects – Staff Reductions – \$9,871 / (1.00) FTE / (4.00) TLTs. This proposal includes the elimination of one TLT position on the capital Passenger Signage Project and one FTE and three TLT positions in support of SMART Card operations.

ORCA Operations – Contract Obligations – \$341,809 / 3.00 FTEs. The recently-implemented One Regional Card for All (ORCA) is part of an electronic fare system that replaces about 300 various passes, tickets, and transfers with a single card that works for all seven of the major public transportation agencies servicing King, Kitsap, Pierce, and Snohomish counties. This proposal adds resources required to meet King County's obligations to the ORCA project as outlined in the interlocal agreement that was approved in early 2009. King County is responsible for managing the day-to-day operations of the system on behalf of the region. A portion of this cost will be reimbursed by the partner agencies.

Service Development – Staff Reduction – (\$103,632) / (0.75) FTE. This proposal includes elimination of one position in Market Development in 2011.

Link Light Rail Operations – \$562,871. King County, through the Rail Group in the Transit Division, is the operator for Central Link Light Rail under contract with Sound Transit. This proposal updates the projected resources required for the Central Link Light Rail operation. All expenditures associated with this proposal are fully reimbursed according to the intergovernmental agreement signed between Sound Transit and King County in 2003.

South Lake Union Streetcar Operations – \$70,499. The South Lake Union Streetcar is a City of Seattle service that is partially funded by King County Metro Transit. This proposal involves rail track inspections, crane inspections, Nexbus Inc. services, Fleet charges, supervisors' shoe allowance, and additional services requested by the City of Seattle including improvements to the auxiliary power supply, design and installation of rail guards, procurement of a snow plow, and purchase of shop tools and spare parts. The City of Seattle is paying for their requested improvements.

Revenue Backed Grant Awards

The Transit Division maximizes its resources to provide public service by seeking out and securing revenue-backed grants.

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Paratransit Service – Special Needs WSDOT Grants – \$228,719. Funding from the Washington State Department of Transportation (WSDOT) Special Needs Grant for the 2009 / 2010 biennium is \$5.85 million. Of this allocation, \$5.32 million is slated for operating projects. Transit anticipates the state will continue to fund the special needs grant in the 2011 / 2012 biennium with a similar distribution of operating funds. This proposal reflects the year-to-year change in projected use of the WSDOT Special Needs Grants.

Revenue Reduction

As noted above and consistent with the King County Executive's 9-point plan, the Transit Division is implementing a sweeping array of measures to reduce costs throughout the division. The changes to Transit operations include the following: deferred bus service expansion, non-service related cuts, operating efficiencies, and reduced baseline bus service.

Bus Service – Baseline Service Reduction – (\$15,416,673) / (133.64) FTEs. This proposal implements a 135,000 annual service hour reduction in bus service in 2010, followed by a 175,000 annual service hour reduction in 2011. The budget hour impact in 2010 is a reduction of 66,000 hours. In 2011, the budget hour impact totals 194,000 hours.

Service Development Operating Grants – Staff/Grant Reductions – (\$954,675) / (1.95) FTEs. This proposal includes the elimination of two positions in Market Development that supported federal and state funded grant activities. In addition, the anticipated level of grant activity is reduced.

Sales and Customer Services – Reorganization/Staff Reductions – (\$132,148) / (1.00) FTE. This proposal results in the reorganization of the Pass Sales group within Sales and Customer Services, resulting in the elimination of one Pass Sales supervisor.

Service Development – Reorganization/Staff Reductions – \$28,178 / (3.00) FTEs. This proposal primarily involves the capital program. The Speed and Reliability group is disbanded. Current staff supporting the Rapid Ride corridor program and remaining speed and reliability projects are moved to Transit Route Facilities. Staff associated with the Information Technology aspects of the program are moved to the Systems Management and Analysis group. Staff associated with the traffic engineering activities will report directly to the Service Development Manager. This reorganization results in the reduction of three capital funded FTEs.

Research and Management Information – Reorganization/Staff Reduction – (\$64,362) / (1.00) FTE. This proposal transfers the Research and Management Information Group from the Transit General Manager's Office to Service Development and results in the elimination of one FTE associated with providing service information.

Power and Facilities – Reorganization/Staff Reductions – (\$226,336) / (2.00) FTEs. This proposal results in the elimination of one out of the four work groups within Power and Facilities, resulting in the elimination of a Transit Supervisor and administrative staff support.

General Manager – Membership Dues Reduction – (\$26,078). This proposal reduces membership dues to the following organizations: enterpriseSeattle, Washington State Transit Association, and Transportation Choices.

Transit Safety – Non-Personnel Cost Reductions – (\$20,000). This proposal reduces non-personnel costs associated with service awards, safety committees, and other events.

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Human Resources and Random Drug Program – Staff and Training Reductions – (\$286,655) / (1.00) FTE. This proposal includes the following: (1) reduction of one position in Transit Human Resources and decreased spending on advertising and pre-employment physicals in anticipation of expected reductions in hiring, (2) elimination of funding associated with organizational development and succession planning activities, and (3) reductions in employee education materials associated with the Random Drug and Alcohol program. Employee drug and alcohol testing activities are not being reduced and will continue as in previous years.

Transit Security – Transit Police Expansion Reductions – (\$1,011,651). This proposal eliminates the planned expansion of Metro Transit Police. This expansion was targeted to provide consistent and reliable Metro Transit Police for the south part of the county.

Excess Compensation Adjustment – (\$300,000). In prior years, Transit has held budget authority to defray the impact of retirement payouts for PERS 1 staff. Fewer eligible employees will be retiring in 2010 and 2011 due to current economic conditions; therefore, this proposal reduces the allocation for excess compensation.

Supervisors and Special Events/Control Center Support – Staff Reductions – (\$923,360) / (8.73) FTEs. This proposal includes the following: (1) a reduction in hiring of supervisors-in-training; (2) a reduction in support staffing for the Transit Communication Center; (3) a reduction in transit operator committee meetings and in the size of committees; and (4) a reduction in several service accounts, restricting funds for contract and professional services, construction contracts, repair and maintenance equipment, printing and binding, and miscellaneous services and charges.

Vehicle Maintenance – Apprentice Program Elimination and Interior Cleaning/Maintenance Reductions – (\$2,290,225) / (29.00) FTEs. This proposal involves the following changes: (1) the elimination of the Apprentice Mechanic training program, (2) the elimination of the administrative support to the Vehicle Maintenance Manager, (3) the elimination of contracted security services provided to the Bellevue Base transit maintenance facility, (4) an increase in the interior cleaning cycle for the bus fleet, (5) elimination of the second parts worker on day shift at four transit facilities, and (6) an increase in the vehicle maintenance cycle.

Power and Facilities – Landscaping Staff/Community Work Program Reductions – (\$228,974) / (1.00) FTE. This proposal reduces expenditures associated with landscaping at Transit operating and passenger facilities. It includes the elimination of a grounds specialist position and the termination of a contract with the Department of Adult and Juvenile Detention Community Work Program.

Design and Construction – Special Permits, Street Vacations, and Other Staff Reductions – (\$176,475) / (1.00) FTE. This proposal eliminates one position that supports the Transit Right of Way group.

Paratransit Service – Staff/Spending Reductions – (\$303,341) / (2.00) FTEs. This proposal includes a number of reductions in the paratransit Access program including: (1) the elimination of a position supporting ADA compliance, (2) the elimination of a position supporting fleet activities, (3) the revision of vehicle inspections consistent with the manufacturer's recommendations, and (4) other miscellaneous reductions.

Vanpool Service – Staff/Spending Reductions – (\$96,579) / (1.00) FTE. This proposal eliminates the Rideshare Services Representative and reduces spending on travel, training, and registration for meetings. It also reduces spending on office supplies, printing, outside help, software, and miscellaneous supplies.

Sales and Customer Services – Marketing/Promotions and Customer Information/Services

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Changes – (\$858,891) / (6.00) FTEs. This proposal implements the following program changes: (1) elimination of two positions in Marketing and Promotions and reduction of more than 50 percent of the budget for outside services including printing and graphics support; (2) reduction of Metro timetables and service information distribution to public by 50 percent including the elimination of two positions in Information Distribution; (3) elimination of three positions from Customer Information (one in January and two in April); and (4) addition of one senior web-developer.

Technical Adjustment

Utilities, Taxes, Assessments and Other Cost Adjustments – \$1,455,191. This proposal adjusts the budget for several cost drivers including: (1) the higher cost of property tax bills, cost of fire protection assessments, and utility rate increases for water and sewer, solid waste, and Puget Sound Energy natural gas and electric bills; (2) increased airtime due to the second radio in vehicles operating in the Downtown Seattle Transit Tunnel; (3) the estimated costs of services from King County Sheriff Office; (4) projected rates for Olympic Security guards; (5) the overhead allocation in Design and Construction; (6) the updated Business and Occupation Tax projections based on projected revenues; and (7) the costs associated with Park & Ride lot rental agreements.

Update 2010 COLA Assumptions and 2011 Wages and Benefits – \$10,595,633. This proposal updates the initial COLA assumption made during the development of 2010 PSQ and updates wages and associated benefits for the 2011 projected COLA.

Carryforward Changes – \$1,950,652 / 3.83 FTEs / 1.50 TLT. This proposal updates 2011 numbers for changes made in 2010 after the creation of the 2011 PSQ.

Revenue Adjustment – (\$4,505,673) Revenues. This adjustment makes several revisions to revenue accounts to match the 2010 / 2011 financial plan.

Central Rates – (\$5,842,318). This series of adjustments captures the net effect of countywide charges and results in a \$5,842,318 reduction in charges to the Transit division. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit and benefit all county agencies.¹

Information Technology (IT) Capital Projects

Metro Transit's dedication to service quality also involves the maintenance and continual improvement and updating of IT support systems. Transit IT projects planned for the 2010 / 2011 biennium are described below. These IT projects are budgeted separately in the DOT Capital Fund 3641 and are included here to provide a full representation of budget changes related to Transit.

DOT Transit On Board Systems – \$799,228. This project is a life cycle replacement and upgrade of mission-critical communications and data systems for King County Metro (KCM) Transit. Several components provided by this project are required to implement the new Transit Radio System (TRS) Project. On-Board Systems (OBS) will provide a centralized, integrated set of systems and subsystems (on-board equipment and software) to implement Global Positioning System (GPS) based vehicle location, automated passenger counting, and integrated data communications between the vehicles and the central servers located at the Transit bases. A centralized data management process will ensure that changes are uploaded to the fleet in a coordinated manner. The Communications Center System (CCS)

¹ Central rate changes noted here for transit reflect anticipated biennium impacts.

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will replace the existing computer aided dispatch/automatic vehicle location system with a new system to interface with and manage the TRS. These new systems are required in the Communications Center and on the buses in order to utilize the TRS. This appropriation will support prototype field testing, pilot testing, and system installation on fleet vehicles.

DOT Transit Real Time Information Signs – \$334,597. This project will procure and install real time customer information signs (RTIS) at select stops along Rapid Ride corridors. These signs will display the estimated next bus arrival time (within a few minutes of actual arrival) to waiting customers beginning in 2010. The addition of these signs will reduce passenger uncertainty while waiting for the bus and improve the overall transit experience. This appropriation will support the implementation of RTIS signs for the Pacific Highway South Rapid Ride Corridor.

DOT Transit Rider Information Systems – \$595,849. This is a two-phase regional project. Phase I, entitled EZ Rider I, was funded by the state and focused on providing public access to information about multimodal transportation options. Phase II, now called the Rider Information System (RIS), will expand the work of Phase I by integrating regional transportation information sources and supporting increased public access to this information. This project has updated the Metro Online website infrastructure and provided direct, online customer access to regional trip planning. The project will also involve the replacement of the timetables and bus stop information production systems (TABS) and the interactive voice response system (IVR) solution for customer information. In addition, the on-line Bus Tracker application will be updated to accommodate the new radio systems. This appropriation will support the implementation of the new Bus Tracker system and the development of a conceptual design for the TABS and IVR.

DOT Transit Dwell Time Reduction – \$5,503,842. This project will implement Smart Card readers to collect bus fares on the rear and middle doors of all Metro coaches. Currently, Metro passengers must pay or validate their fare at the front door as they pass the driver. During the day, customers pay as they enter for inbound routes and as they leave for outbound routes. This can create significant delays, particularly for trips that have standing loads. The introduction of a new fare payment process One Regional Card for All (ORCA) using Smart Cards is being unveiled in 2009. This will reduce the number of people paying with cash, potentially speeding up the boarding process. However, buses are only equipped with front door ORCA card readers. Adding a rear- and middle-door reader will improve operating speeds on trips by allowing all door boardings and alightings, resulting in approximately 100 daily hours of benefit to the operating schedule. System-wide rear door readers also add a measure of flexibility to fare structures and how they may be collected. This biennial appropriation funds the implementation of middle- and rear-door car readers.

DOT Transit Regional Fare Coordination Enhancements – \$2,664,755. This project is a follow-on to the Regional Fare Coordination Project, which implemented the ORCA fare collection card in the Puget Sound region. The purpose of the project is to implement additional functionality designed to meet King County-specific business needs in the areas of sales, customer service, business accounts, and operations. There are also three elements in the project for which expenses will be reimbursed by the entities that will directly benefit from the ORCA functionality. This appropriation will fund a variety of fare enhancements, some of which are reimbursable.

C O U N C I L A D O P T E D B U D G E T

Various Service Cost Reductions - (\$303,663)/(0.94 FTEs). This change reduces funding associated with various service costs.

Performance Audit Staff Changes - (\$110,635) / (3.00 FTEs). The change reduces funding for Transit staff associated with audit implementation activities and provides funding for a TLT in the Office of Strategic Planning and Performance Management to assist in audit implementation.

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Various Operating Expenditure Reductions (\$619,186)/(10.39). This change reduces funding for various operating expenditures.

2010 Funding for Additional Performance Audit Activities - \$350,000. This change provides appropriation to support additional performance audit activities, utilizing funds not expended in 2009.

Various Staff Reductions - (\$1,106,138) /(14.00 FTEs). This change eliminates various staff positions.

Support for Regional Policy Committee (RPC) - \$100,000. This change provides 2010 funding for the RPC.

Eliminate OSS Contra - \$1,417,791. This change removes the operational shutdown savings (OSS) in the Executive Proposed budget for this appropriation.

2010/2011 Adopted Biennium Budget for Transit Revenue Vehicle Replacement 4647/5002M

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	39,475,479	0.00	0.00
	Status Quo**	(36,109,046)	0.00	0.00
	Status Quo Budget	3,366,433	0.00	0.00
Contra Add Back		0		
Council Changes				
CC01	Decrease Transfer to Operating	(6,725,000)	0.00	0.00
CC02	Budget Errata	13,450,000	0.00	0.00
		6,725,000	0.00	0.00
Revenue Reduction				
PC01	Transfer to Operating Fund	45,000,000	0.00	0.00
		45,000,000	0.00	0.00
Technical Adjustments				
TA01	Technical Adjustment	(3,366,433)	0.00	0.00
TA11	Transfer to Capital Fund	83,374,610	0.00	0.00
TA25	Biennium Revenues - \$4,473,142	0	0.00	0.00
		80,008,177	0.00	0.00
Total Change Items for 2010/2011 Biennium Budget		131,733,177	0.00	0.00
2010/2011 Adopted Biennium Budget		135,099,610	0.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

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Transit Division – Transit Revenue Vehicle Replacement

The 2010 / 2011 biennial budget for the Transit Revenue Vehicle Replacement is \$128,374,610.

Revenue Reduction

Transfer to Operating Fund – \$45,000,000. This proposal involves the transfer of Revenue Vehicle Replacement Fund resources previously held in reserve accordance with adopted policies. Based on recommendations from the recently release Transit Performance Audit and in accordance with the executive 9-point plan, transfers from the Revenue Vehicle Replacement Fund reserves to the operating fund will be made in each of the next four years totaling \$100,000,000.

Technical Adjustments

Technical Adjustment – (\$3,366,433). This proposal zeros out the status quo budget.

Transfer to Capital – \$83,374,610. Transit will be replacing a significant number of its current fleet by 2017. As a result, the Revenue Fleet Replacement Fund will hold annually transfer funds to the capital fund to support the purchase of replacement vehicles.

Revenue Adjustment – \$4,473,142 Revenues. This adjustment revises revenue accounts to match the 2010 / 2011 financial plan.

C O U N C I L A D O P T E D B U D G E T

Decrease Transfer to Operating - \$6,725,000

Budget Errata - \$13,450,000. This change item balances to the adopted budget. When removed in association with the corrections ordinance, it will result in the council intended reduction of the transfer to operating of \$6,725,000 .

Transit Division – Transit Capital

The purpose of the Public Transportation Fund Capital Program is to provide for the ongoing replacement of aging infrastructure and to support service delivery and expansion. A goal is to achieve the optimal set of capital assets in conjunction with service plans that best satisfy the mission, goals and objectives of the Transit Division. The 2010-2015 Public Transportation Capital Improvement Program (CIP) appropriations are projected to total \$576 million. This is in addition to \$681 million that is currently appropriated for capital projects and \$23 million of expected 2009 supplemental appropriations, bringing the program total to \$1.28 billion for 2009-2015.

Due to the revenue reductions caused by the current economic downturn, the 2010/2011 biennial budget focuses on high priority projects such as replacement of existing infrastructure, RapidRide projects, completing projects with current commitments and beginning new projects leveraged with grant and partner funding. During the 2008/2009 biennium, Transit capital appropriations for the 2008-2013 timeframe were reduced by \$80 million. Another \$19.6 million in appropriation reductions for non-fleet projects ending or with reduced scope or cost savings due to lower cost construction contracts are included in this 2010/2011 proposal. Due to lower sales tax revenue, all future Transit Now efforts, with the exception of RapidRide, have been deferred.

During 2010 and 2011, Transit staff will complete work on major operating and passenger facility projects and implement fewer, smaller scale bus zone improvements. Base expansion and modification efforts will focus on the design and construction of a new operations building and remodeling of the existing operations building for Transit Police, both at the Central Atlantic campus. Construction of cranes at the South Base to handle battery change out on hybrid buses will be completed in 2010, as will connecting four new facilities to the central security monitoring station. Expansion of Brickyard Park and Ride and replacement of small bus stop signs will also be completed during this timeframe. Ryerson Base renovations and the Burien Transit Center will be substantially completed in 2009. Bus shelters will be added at 30 new sites in both 2010 and 2011, which is a reduction from the previous biennium. The scope of Speed and Reliability efforts will also be reduced.

At this time, Transit is planning to purchase 115 fewer buses for 2010/2011 than was contemplated in the mid-biennium budget update. This is a result of projected reductions in bus service. Through 2015, revised service projections show the need to purchase about 300 fewer buses. This is a net reduction of about 200 from the current fleet size, because service growth was previously planned. New small, low floor buses will replace the existing 35 transit vans in the latter half of 2009. The first 15 buses for Alaska Way Viaduct mitigation service were delivered in mid-2009, and another 15 will be delivered in 2010. The first 20 hybrid articulated coaches for RapidRide Service will be delivered late in 2009, and an additional 16 coaches will be delivered in 2011. This will be followed by major replacement of the non-trolley fleet. A multi-year contract has been signed for 40 foot buses, with 93 hybrid vehicles ordered for 2010 delivery. These vehicles are heavily grant funded. 118 replacement buses will be purchased in 2011. During the 2010/2011 biennium, 132 paratransit vehicles will be purchased; 108 replacements, 15 for ACCESS service expansion and 9 for Community Access Transportation (CAT) service expansion. In 2010 and 2011, 438 vanpool vans will be purchased. Eighty of these are for service expansion, which is half the amount previously planned. Some expansion vans are planned to be battery, electric vehicles. State grants are planned to fund expansion vanpool vans.

In addition to completing construction projects and providing adequate fleet for the system, the capital program includes the implementation of three large ‘technology’ projects that will significantly impact the environment on the bus. The first of these three systems, Smart Card (ORCA), began implementation in 2009, with full system acceptance planned for early 2010. The second project, Radio Replacement, received federal approval for spectrum licensing in 2009. Radio site modifications were completed in 2008, with field equipment installation and testing occurring in 2009. The On Board Systems (OBS) project completed final design review in early 2009. The project will proceed with proto-

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typing and a pilot installation in 2010. Bus installation of radio and on board equipment will begin in 2010, but will not be completed until 2011. Successful implementation of these systems is critical to the transit program.

This program includes several new and expanded projects, which are primarily revenue backed. New revenue backed efforts include:

- Installation of a weapons of mass destruction detection system in tunnel stations, funded by a Department of Homeland Security grant;
- Installation of rear and middle door fare readers on buses to provide travel time savings, which is partially funded by a Federal Transit Administration (FTA) grant;
- Implementation of regional fare coordination system (ORCA) enhancements, which are partially funded by partners;
- Addition of on-demand bike lockers to increase bike storage capacity, which is funded by a FTA grant and;
- Modification of the trolley overhead infrastructure to achieve operational improvements near Fifth and Washington, which is also funded by an FTA grant.

New projects that are part of a 2009 supplemental appropriation for projects receiving Department of Energy funding include installation of electric vehicle charging stations at county sites and modification to the trolley overhead infrastructure to achieve operational improvements on the Route 36. Additional federal funding allowed for increases in the Transit Security Enhancement and Northgate TOD projects. Three other new projects represent existing efforts that were either separated into new appropriations for increased visibility (Signage Replacement and Atlantic/Central Operations Building) or combined differently (Transit Priority Improvements). A new RapidRide corridor project, Line F, has been added to provide and support service between Burien and Renton. Information about these and all the other CIP projects can be found in Transit's proposed CIP book.

2010-2011 Significant Transit Project Highlights

The budget authority requested for the 2010-2011 biennium totals \$124.1 million, including the disappropriation of funds for some projects. The requested budget authority combined with the remaining 2008/2009 budget carried forward and 2009 supplemental requests, brings the total Transit CIP budget authority to \$828 million. Appropriation requests for each project have been reviewed and reflect amounts to either be spent or committed on projects during 2010 and 2011. By the end of 2011, budget authority remaining for carryover into 2012 will total \$239 million. Almost two thirds of

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this represents anticipated contractual commitments for fleet procurements and most of the remaining third is related to the SR520 Urban Partnership and South Kirkland TOD projects.

Transit CIP Significant 2010/2011 Requests	2010/2011 Execu- tive Proposed Budget	New or Existing Project
ADA Paratransit Fleet	\$10,030,271	Existing
40 Ft Buses	(\$ 82,750,434)	Existing
Articulated Buses	\$77,327,461	Existing
Vanpool Fleet	\$9,381,100	Existing
Transit Asset Maintenance	\$27,756,190	Existing
Atlantic/ Central Operations Building	\$23,983,096	Existing
Bus Rapid Transit Corridor Initiatives	\$9,828,772	Existing
RapidRide Line F- Burien to Renton	\$34,379,184	New

ADA Paratransit Fleet: \$10,030,271

In 2010, 81 vehicles will be ordered. Of the new vehicles, 55 will replace an equal number of ACCESS vehicles that will have reached the end of their useful life. Two more replacement vehicles are planned, anticipating vehicles lost due to accidents in the previous year. Fourteen expansion vehicles will be ordered for ACCESS, 11 to meet rising demand from the State of Washington's decision on Adult Daycare Homes. One replacement supervisor minivan will be purchased. Up to 9 new vehicles will be purchased, with WSDOT grant funding, for the Community Access Transportation (CAT) program to meet the growing demand. In 2011, 50 ACCESS replacement vehicles will be purchased and one vehicle will be added to the fleet to meet service demand.

40 Foot Buses: (\$82,750,434)

This project funds the replacement of the 410 40-foot and 35-foot diesel bus fleet with 185 40-foot low-floor buses. This project cancellation amount represents a 55 percent reduction in fleet size and translates to 225 fewer buses thru 2015. This represents a total bus reduction 184 buses as compared to the 2008/2009 mid-biennium plan. The reduction is largely driven by service reductions. The current Transit Fleet Plan calls for delivery of 93 40-foot hybrid buses in 2010; 62 buses 2011; and 30 buses in 2012. Replacement of the present fleet with low floor buses will provide faster entry and exit for passengers in mobility aid devices (a ramp compared to the lift in the forward door on the present buses). A low floor bus will also be easier to enter and exit for ambulatory passengers. The introduction of hybrid buses into the 40-foot fleet will advance King County's commitment to zero-emission transit that minimizes the use of fossil fuels, and continues the county's investment in sustainable alternative propulsion. Federal Transit Administration funding, primarily through American Recovery and Reinvestment Act stimulus grant funding, will provide \$37.1 million toward the purchase of 93 hybrid buses in 2010. The Public Transportation Capital Fund will provide the balance of revenue backing. Federal funds allow for the purchase of 84 more hybrids than were planned in the mid-biennium budget.

Articulated Buses: \$77,327,461

This project replaces and expands Metro's fleet of articulated buses. King County Metro presently operates a fleet of 537 60-foot buses. The existing fleet is made up of 272 60-foot New Flyer high-floor articulated diesel buses that were delivered in 1999 and 2000; 213 60-foot New Flyer low-floor articulated hybrid buses, 30 New Flyer low-floor articulated diesel buses delivered in 2004; and 22 60-foot New Flyer low-floor articulated hybrid buses delivered in 2008.

Metro has a five-year contract in place with New Flyer for the purchase of 60-foot articulated low

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floor hybrid and diesel buses. The contract extends through spring 2012. The structure of the bus procurement contract allows Metro the flexibility to order buses in quantities appropriate to meet the demands of the service plan be it status quo, growth or reduction. Besides replacement, this fleet will address the following components of the service plan:

- Implementation of Rapid Ride – Metro’s Bus Rapid Transit program – 100 hybrid buses between 2010 and 2013;
- A change in fleet mix, emphasizing more 60-foot buses and fewer 40-foot buses; and
- Mitigation of Alaskan Way Viaduct congestion impacts: 30 hybrid buses – 15 in 2009 and 15 in 2010.

Vanpool Fleet: \$9,381,100

The project funds the purchase of new vans needed to support the county’s Vanpool Program. New vans are purchased to replace vans at the end of their useful vanpool life and to expand service. This is an on-going project in which the number and type of vehicles changes yearly based on projected service assumptions, customer usage and preference, and vehicle manufacturer capacity and availability. Each budget year, a multi-year fleet plan is created that identifies the quantity, seating capacity and unit cost of vans. The 2010/2011 budget request for this project will fund the purchase of 438 vans, 358 which replace vans older than seven years and 80 which are vans for service expansion.

Transit Asset Maintenance: \$27,756,190

The Transit Asset Maintenance Program (TAMP) provides funding for major refurbishment and/or replacement of King County Metro Transit capital plant, property and equipment. For the 2010-2011 biennium, major planned work efforts include:

- \$1,770,000 for pavement rehabilitation at transit facilities and park and ride lots.
- Design and construction of roof replacement at Central Base.
- Begin design of the North Base garage lid
- Construction of North Base O&M HVAC replacement.
- Begin construction of North Base garage ventilation system replacement and playfield area roof.
- Begin implementation of the North Base Operations and Maintenance roof replacements.
- Begin design of generator replacements for East Base and South Base Fuel and Wash building and begin generator replacement at North Base.
- Begin design of small HVAC replacements at Atlantic Base.
- Install fire alarm replacement and upgrades at most facilities.
- Begin design and implementation of three facility outdoor yard lighting projects at Ryerson Base, South Base, and the South Base Annex.
- Begin implementation of HVAC replacements at South Base Annex.
- Conclude implementation of HVAC project at the Component Supply Center
- Begin design of two outdoor yard lighting projects for East Base and North Base.

Atlantic/Central Operations Building: \$23,983,096

This project will build a new operations building for the combined Atlantic and Central Operating Bases. The building is sized to handle additional drivers associated with the recently completed base expansion. The operations building can accommodate a 50 percent increase in operators, to about 370. The facility will also provide the associated training, operator report, service quality, lunchroom, locker room, and management spaces. In 2010, the construction will be substantially complete. In 2011, the project will complete the startup and the commissioning of the operations building. The associated site and street improvements will be completed by the end of the first quarter of 2011.

Bus Rapid Transit Corridor Initiatives: \$9,828,772

The scope of the project is to plan, design, and construct the elements of RapidRide that improve tran-

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sit speed and reliability on all five of the RapidRide corridors: Pacific Highway South (Line A), Bellevue-Redmond (Line B), West Seattle to Downtown Seattle (Line C), Ballard-Uptown to Downtown Seattle (Line D), and Aurora Avenue North (Line E), from Shoreline to Downtown Seattle. The project will design, install, and test the ITS system that provides transit signal priority (TSP), as well as the data communication link from the Metro communications control center to real time passenger information signs and stand-alone fare transaction processors located along the corridors.

In 2010, installation of the Intelligent Transportation System (ITS) improvements including traffic signal improvements, Transit Systems Program (TSP), and the installation of the fiber communication infrastructure to support real time information signs and stand alone fare transaction processors will be completed for Pacific Highway South route (A-Line). All of the RapidRide ITS elements except for the real time information signs and stand alone fare transaction processors will be ready to support the service start date of June 12, 2010.

In 2011, corridor improvements for the Bellevue-Redmond route (B-Line) will be completed to support the service start date of September 10, 2011. In addition, the roadway, traffic signal and ITS communication improvements will be completed for the West Seattle (C-Line) and Ballard routes (D-Line). Finally, preliminary corridor level design work on roadway improvements, traffic signal improvements, TSP, and the fiber communications infrastructure will begin for the Aurora (E-Line) route.

RapidRide Line F- Burien to Renton: \$34,379,184

The scope of the project is to implement the key capital elements of the F-Line RapidRide project. The capital elements include the procurement of new low-floor RapidRide coaches; the design and construction of ITS and roadway improvements including TSP and fiber optic communications; the design and construction of passenger improvements including stations, enhanced and standard stops; and the implementation of real time passenger information signs at selected station locations.

The F-Line will replace the Route 140 and provide significant transit service and facility improvements. The F-Line will provide frequent, direct east/west routing between Burien and Renton via the Tukwila International Boulevard Link Station, Southcenter Mall, the Tukwila Sounder Station, South Renton Park and Ride, and the Renton Transit Center. Transit service levels will increase to every 10 minutes during weekday peak hours, every 15 minutes during weekdays in the mid-day and early evening, and every 30 minutes at night. On weekends, the F-line service will be every 15 minutes throughout the day and 30 minutes in the evening and at night.

The Route 140 has experienced steady ridership growth in recent years, with weekday ridership from fall 2006 through fall 2008 increased almost 22 percent, from 2,990 to 3,640 daily riders. The RapidRide improvements to this corridor will continue to attract additional ridership. Preliminary design work on the roadway, traffic signal, and passenger facility improvement will begin in 2011. This design will build on the lessons learned in designing and testing the technology systems deployed on the A-Line RapidRide along Pacific Highway South/International Boulevard.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Enterprise Fund 2010/2011 Adopted Financial Plan

Prepared by Duncan Mitchell

(\$ in 000)	2008 Actual	2009 Adopt + Sup	2009 Forecast	2010 Adopted	2011 Adopted	2012 Forecast
Beginning Fund Balance	336,592	382,587	380,710	380,121	406,830	385,873
Revenues						
Fares ⁵	99,476	104,381	103,759	118,329	130,014	131,503
Other Operations Revenue	15,218	18,993	14,134	16,308	17,221	18,500
Sales Tax	445,428	442,628	388,602	392,818	406,074	423,928
Property Tax	0	0	0	21,446	21,792	22,202
Interest Income	7,273	7,529	5,218	4,421	5,706	7,370
Capital Grants	92,648	88,302	65,462	127,825	141,311	74,446
Payments from ST; Roads, Fleet, Airport	51,279	68,796	68,321	75,566	82,281	86,314
Sound Transit Payments-Capital	4,030	3,608	3,459	4,490	4,495	4,493
Miscellaneous	11,522	35,796	64,698	45,849	67,546	53,318
Total Revenues	726,875	770,031	713,654	807,053	876,439	822,074
Expenditures						
Transit Division	(544,686)	(592,215)	(591,845)	(586,084)	(622,989)	(661,305)
Transportation Admin Division	(5,548)	(6,325)	(6,325)	(12,873)	(13,709)	(14,093)
Capital	(101,554)	(174,313)	(123,539)	(211,513)	(253,874)	(209,189)
Debt Service	(15,119)	(15,126)	(15,126)	(16,261)	(16,781)	(16,774)
Total Expenditures	(666,907)	(787,979)	(736,836)	(826,730)	(907,353)	(901,361)
Estimated Underexpenditures						
Operating Program	0	5,069	5,065	6,065	5,919	6,754
Capital Program	0	7,530	16,030	15,372	1,491	(1,825)
Total Estimated Underexpenditures	0	12,599	21,095	21,436	7,410	4,929
Other Fund Transactions						
Long Term Debt (Bonds)	0	0	0	22,500	0	0
Misc Balance Adjustments	(15,850)	1,783	1,499	2,450	2,546	2,315
Total Other Fund Transactions	(15,850)	1,783	1,499	24,950	2,546	2,315
Ending Fund Balance	380,710	379,021	380,121	406,830	385,873	313,831
Reserves & Designations						
30 Day Operating Reserve ⁴	36,730	34,766	17,365	24,600	36,605	27,765
Fare Stabilization & Operating Enhancement Res	0	0	0	0	0	0
Revenue Fleet Replacement Fund	202,820	247,152	252,127	257,491	188,958	161,044
*						
Total Reserves & Designations	239,550	281,917	269,492	282,091	225,564	188,809
Ending Undesignated Fund Balance	141,159	97,104	110,630	124,739	160,309	125,021
Target Fund Balance ⁴	154,718	286,830	195,735	227,068	193,020	198,287

Financial Plan Notes:

- 1 2008 Actuals are from the 14th month.
- 2 2009 forecast is updated based on 2008 actuals.
- 3 2010-2012 projections are based on future assumptions concerning service levels and the supporting CIP.
- 4 Target Fund Balance for 2009 through 2012 is at 15 days, half the adopted policy of a 30 day reserve.
- 5 Bus and ACCESS Fares are increased in 2010 per adopted ordinance and assumed to increase in 2011.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Operating Sub-Fund 2010/2011 Adopted Financial Plan

(\$ in 000)	2008 Actual	2009 Adopt + Sup	2009 Forecast	2010 Adopted	2011 Adopted	2012 Forecast
Beginning Fund Balance	59,175	41,080	36,730	17,365	24,600	36,605
Revenues						
Fares ⁵	99,476	104,381	103,759	118,329	130,014	131,503
Other Operations Revenue	15,218	18,993	14,134	16,308	17,221	18,500
Sales Tax	334,071	331,971	291,451	294,614	304,555	317,946
Property Tax	0	0	0	21,446	21,792	22,202
Payments from ST; Roads, Fleet, Airport	51,279	68,796	68,321	75,566	82,281	86,314
Interest	750	544	412	103	298	314
Miscellaneous	8,021	14,094	47,285	17,831	25,557	49,061
Total Revenues	508,815	538,779	525,363	544,197	581,719	625,841
Expenditures						
Transit	(544,686)	(592,215)	(591,845)	(586,084)	(622,989)	(661,305)
Transportation Administration	(5,548)	(6,325)	(6,325)	(12,873)	(13,709)	(14,093)
Total Expenditures	(550,234)	(598,539)	(598,170)	(598,956)	(636,698)	(675,398)
Estimated Underexpenditures	0	5,069	5,065	6,065	5,919	6,754
Other Fund Transactions						
Misc Balance Adjustment	(6,524)	0	0	0	0	0
Transfer from Capital Program	25,499	48,377	48,377	35,587	29,683	3,963
Transfer from Revenue Fleet Replacement			0	20,343	31,382	30,000
Total Other Fund Transactions	18,975	48,377	48,377	55,930	61,065	33,963
Ending Fund Balance	36,730	34,766	17,365	24,600	36,605	27,765
Reserves & Designations						
30 Day Operating Reserve ⁴	36,730	34,766	17,365	24,600	36,605	27,765
Fare Stabilization & Operating Enhancement *	-	-	-	0	-	-
Total Reserves & Designations	36,730	34,766	17,365	24,600	36,605	27,765
Ending Undesignated Fund Balance	0	0	0	0	0	0
Target Fund Balance ⁴	45,229	49,200	49,170	49,234	52,337	55,518

Financial Plan Notes:

1 2008 Actuals are from the 14th month.

2 2009 forecast is updated based on 2008 actuals.

3 2010-2012 projections are based on future assumptions concerning service levels and the supporting CIP.

4 Target Fund Balance for 2009 through 2012 is at 15 days, half the adopted policy of a 30 day reserve.

5 Bus and ACCESS Fares are increased in 2010 per adopted ordinance and assumed to increase in 2011

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Capital Sub-Fund 2010/2011 Adopted Financial Plan

(\$ in 000)	2008 Actual ¹	2009 Adopt + Sup	2009 Forecast ²	2010 Adopted	2011 Adopted	2012 Forecast
Beginning Fund Balance	97,451	145,282	141,159	110,630	124,739	160,309
Revenues						
Sales Tax	111,357	110,657	97,150	49,190	84,475	62,666
Interest Income	2,177	2,691	2,132	1,583	2,270	3,265
Miscellaneous	3,502	21,701	17,413	28,018	41,988	4,257
Sound Transit Payments	4,030	3,608	3,459	4,490	4,495	4,493
Capital Grants	36,448	38,302	15,462	127,825	141,311	49,446
Total Revenues	157,514	176,959	135,618	211,106	274,539	124,126
Expenditures						
Capital Program Expenditures	(101,554)	(174,313)	(123,539)	(211,513)	(253,874)	(209,189)
Debt Service/Refin.	(15,119)	(15,126)	(15,126)	(16,261)	(16,781)	(16,774)
Total Expenditures	(116,673)	(189,439)	(138,666)	(227,774)	(270,654)	(225,962)
Estimated Underexpenditures		7,530	16,030	15,372	1,491	(1,825)
Other Fund Transactions						
Miscellaneous Fund Balance Adj.	(7,742)	877	593	1,544	1,640	1,409
RFRF Funds for Fleet Rep.	36,109	3,366	3,366	26,042	57,332	70,021
Lease and Prepaid Lease Offset	0	906	906	906	906	906
Transfer to Operating Fund	(25,499)	(48,377)	(48,377)	(35,587)	(29,683)	(3,963)
Long Term Borrowing	0	0	0	22,500	0	0
Total Other Fund Transactions	2,868	(43,228)	(43,512)	15,405	30,195	68,374
Ending Fund Balance	141,159	97,104	110,630	124,739	160,309	125,021
Reserves & Designations						
*						
Total Reserves & Designations	-	-	-	-	-	-
Ending Undesignated Fund Balance	141,159	97,104	110,630	124,739	160,309	125,021
Target Fund Balance ⁴	500	500	500	500	500	500

Financial Plan Notes:

1 2008 Actuals are from the 14th month.

2 2009 forecast is updated based on 2008 actuals.

3 2010-2012 projections are based on future assumptions concerning service levels and the supporting CIP.

4 Target Fund Balance is based on formulae established in the financial policies.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Transportation Fund - Revenue Fleet Replacement Sub-Fund 2010/2011 Adopted Financial Plan

(\$ in 000)	2008 Actual	2009 Adopt + Sup	2009 Forecast	2010 Adopted	2011 Adopted	2012 Forecast
Beginning Fund Balance	179,967	196,224	202,820	252,127	257,491	188,958
Revenues						
Sales Tax Distribution	0	0	0	49,015	17,044	43,316
Interest	4,346	4,294	2,673	2,735	3,138	3,791
Grants: Section 5307 Preventive Maintenance	56,200	50,000	50,000	0	0	25,000
Other Income	0	0	0	0	0	0
Total Revenues	60,546	54,294	52,673	51,750	20,182	72,107
Expenditures						
Cross Border Lease Fund Transfer	0	0	0	0	0	0
Total Expenditures	0	0	0	0	0	0
Estimated Underexpenditures						
Other Fund Transactions						
Fleet Replacement Transfer	(36,109)	(3,366)	(3,366)	(26,042)	(57,332)	(70,021)
Operating Fund Transfer	0	0	0	(20,343)	(31,382)	(30,000)
Balance Sheet Adj.	(1,584)	0	0	0	0	0
Total Other Fund Transactions	(37,693)	(3,366)	(3,366)	(46,385)	(88,714)	(100,021)
Ending Fund Balance	202,820	247,152	252,127	257,491	188,958	161,044
Reserves & Designations						
* Per financial policy	109,489	237,630	146,566	177,834	140,683	142,769
*						
Total Reserves & Designations	109,489	237,630	146,566	177,834	140,683	142,769
Ending Undesignated Fund Balance	93,331	9,522	105,561	79,657	48,275	18,275
Target Fund Balance ⁴	109,489	237,630	146,566	177,834	140,683	142,769

Financial Plan Notes:

1 2008 Actuals are from the 14th month.

2 2009 forecast is updated based on 2008 actuals.

3 2010-2012 projections are based on future assumptions concerning service levels and the supporting CIP.

4 Target Fund Balance is based on formulae established in the financial policies.

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Marine Division 1590/1460M

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	8,922,334	16.00	0.00
	Status Quo**	(3,168,096)	0.00	0.00
	Status Quo Budget	5,754,238	16.00	0.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget	6,517,060	0.00	0.00
		6,517,060	0.00	0.00
Council Changes				
CC01	King County Ferry District Directed Charges	4,995,766	0.00	0.00
CC45	Eliminate OSS Contra	20,287	0.00	0.00
		5,016,053	0.00	0.00
Expanded Service Delivery				
PC01	West Seattle- Downtown Seattle Route Operations	2,800,731	3.00	2.01
		2,800,731	3.00	2.01
Increase in Cost of Services				
TA02	Vashon-Downtown Seattle Route Operations	450,799	0.96	0.00
		450,799	0.96	0.00
Increased Efficiencies/ Reduced Costs				
TA01	Marine Division Management and Support	(2,115,072)	(1.00)	0.00
		(2,115,072)	(1.00)	0.00
Operational Shutdown Savings				
CR45	Operational Shutdown Savings Contra	(20,287)	0.00	0.00
		(20,287)	0.00	0.00
Technical Adjustments				
CR01	Flexible Benefits	(4,888)	0.00	0.00
CR05	General Fund Overhead Cost Allocation	36,870	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	248	0.00	0.00
CR08	Technology Services Infrastructure Charge	10,877	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	3,420	0.00	0.00
CR15	Insurance Charges	(36,221)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	2,424	0.00	0.00
CR25	Financial Services Charge	19,299	0.00	0.00
CR26	Retirement Rate Adjustment	(22,280)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(330)	0.00	0.00
CR37	Facilities Management Strategic Initiative	179	0.00	0.00
CR39	COLA Adjustment	17,036	0.00	0.00
CR46	Countywide Strategic Technology Projects	(2,687)	0.00	0.00
		23,947	0.00	0.00
Total Change Items for 2010/2011 Biennium Budget		12,673,231	2.96	2.01

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Marine Division 1590/1460M

Code/ Item	Description	Expenditures	FTEs *	TLTs
2010/2011 Adopted Biennium Budget		18,427,469	18.96	2.01

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

ER1 EXPENDITURE RESTRICTION:

Of this appropriation, \$250,000 shall be expended only on commuter service on the West Seattle Water Taxi in November and December 2010, and only if funds for full-cost recovery for this additional commuter service are obtained from a source other than a King County Ferry District property tax levy and approved by resolution by the King County Ferry District before August 1, 2010. No funds from this appropriation may be expended on these additional months of service unless such full-cost recovery has been so approved.

ER2 EXPENDITURE RESTRICTION:

Of this appropriation, expenditure authority for \$3,522,000 shall lapse unless the existing interlocal agreement between King County and the King County Ferry District is extended or a new interlocal agreement is approved prior to December 15, 2010, and the agreement provides for reimbursement by the district to the county in at least that amount.

Marine Division Operating Budget

The total 2010/2011 Executive Proposed Biennial Budget for the Marine Division includes \$13,411,416 and 18.96 FTEs and 2.01 TLTs. Under the assumption of a one-cent property tax levy, the Marine Division would bring in-house operations of the two existing passenger-only ferry routes, including the West Seattle-Downtown Seattle and the Vashon-Downtown Seattle routes. The division would no longer support the implementation of demonstration routes. Except for the elimination of the Division Director, this proposal assumes full staffing of Marine Division administration in the biennium, including operations and maintenance managers, a communications manager, finance and administrative services managers, and an administrative specialist. As the operations are brought in-house, the Marine Division will continue to staff the operations crew, including Marine Captains, Marine Deckhands, Marine Oilers and Marine Engineers. The Marine Division's operations, including management and support, are fully revenue-backed by the Ferry District under the one-cent levy scenario.

2011 Base Budget

2011 Base Budget – \$6,517,060 Expenditure / \$6,517,060 Revenue. This change adjusts expenditure authority to include the 2011 base budget. Total proposed 2010 expenditures serve as the 2011 base budget.

Expanded Service Delivery

West Seattle – Downtown Seattle Route Operations – \$2,800,731 Expenditure / \$2,800,731 Revenue / 3.00 FTEs / 2.01 TLTs. This proposal allows the Marine Division to begin in-house, year-round operation of the West Seattle – Downtown Seattle route in April 2010. The proposal assumes that the Ferry District would no longer contract with Argosy Cruises after April 2010 for this route. In-house operations require costs for repair and maintenance, associated intra-governmental service costs, additional crew members, and dramatically reduced levels of consulting services. The funding for consultation support decreases from \$1.2 million in the 2009 revised budget to \$245,000 in the two-year period. Also, a portion of the operations manager and maintenance manager salaries and benefits are allocated based on service hours to the costs of operating this route. The proposal adds 3.00 FTEs to the Marine Division in the biennium. These expenditure increases are fully revenue-backed by Ferry District levy revenues and farebox proceeds.

Increase in Cost of Services

Vashon-Downtown Seattle Route Operations – \$450,799 Expenditure / \$450,799 Revenue / 0.96 FTE. The Marine Division will begin in-house operation of the Vashon-Downtown Seattle route starting in September 2009, incurring additional costs for the lease of vessels, costs for repair and maintenance associated intra-governmental service costs, staffing of additional crew members, such as Marine Deckhands and Marine Captains, and a 50 percent increase in revenue-backed trips in the peak direction each day. The proposal assumes that the Ferry District will no longer contract this service with Washington State Ferries. This request annualizes these costs for 2010 and 2011. Additionally, the operations manager and maintenance manager salaries and benefits would be allocated based on service hours to the operations of this route. These expenditure increases are fully revenue-backed by Ferry District levy revenues and farebox proceeds.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Increased Efficiencies/Reduced Costs

Management and Support Reductions – (\$2,115,072) Expenditure / (\$5,308,348) Revenue / (1.00) FTE. This proposal allows the Marine Division to bring the operations of the Vashon-Downtown Seattle and the West Seattle-Downtown Seattle routes in-house. Under the one-cent property tax levy assumption, costs include additional support from Department of Transportation Director's Office for policy, grant management and community relations management, necessitating less funding for expensive outside consultation in 2010 and in the outyears. This proposal eliminates one FTE for the Division Director, but otherwise staffs all other positions originally anticipated under management and support. This change annualizes the management and support costs of the 2009 adopted budget which only contained funding for six months of management and support functions. Lastly, the change includes changes in supplies (including diesel fuel) and other intra-governmental services, including significantly lowered shuttle costs in 2010 and 2011. These expenditure increases are fully revenue-backed by Ferry District levy revenues and farebox proceeds.

Operational Shutdown Savings

Operational Shutdown Savings Contra – (\$20,287). In the face of the severe fiscal challenges across all county funds, the 2010 Executive Proposed Budget includes savings assumptions in an effort to preserve direct services. For 2009, savings were achieved through the implementation of a ten-day building and/or operational closure program, resulting in labor furloughs. The 2010 budget is balanced across all funds assuming that a similar level of savings will be achieved in each agency based on the furlough eligible employees as was adopted for 2009, including 2009 County Council amendments. The specific details of the 2010 plan are still under development, and discussions with labor unions and individual agencies are on-going. Specific plans describing how the 2010 savings will be achieved will be transmitted to the County Council in the coming weeks. To the extent that savings, from labor or other expenses, cannot be fully achieved through temporary and short term building and/or operational closures, the plan will describe additional programmatic reductions and the elimination of additional positions.

Technical Adjustments

Central Rates – (\$16,627). This series of adjustments captures the net effect of countywide charges and results in a \$16,627 decrease in charges to the Marine Division Fund. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

C O U N C I L A D O P T E D B U D G E T

King County Ferry District Directed Charges - \$4,995,766. This change item adds 2010 capital dollars back into the operating budget and reduces other expenditures, as directed by the Ferry District. This item also removes the 2011 portion of the biennial budget proposed, as Council intended to include only a single year's budget. The 2010 corrections ordinance will clarify that the Marine Division's adopted budget is not a biennial budget.

Eliminate OSS Contra - \$20,287. The county was unable to reach an agreement related to the Operational Shutdown Strategy. As a result, this OSS contra in the 2010 Executive Proposed Budget was reversed in the 2010 Adopted Budget.

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Financial Plan

1590/1460M

King County Marine Operations Fund/Marine Division

	2008 Actual ¹	2009 Adopted	2009 Estimated ²	2010 Adopted	2011 Projected ³	2012 Projected ³
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)
Revenues						
* Farebox, Concession and Advertising Revenue		220,796	110,398			
* Levy Proceeds from Ferry District ⁵	1,557,068	3,749,268	5,557,255	18,427,469	6,894,356	7,142,554
* Levy Proceeds for Capital Expenditures ⁶	82,731	4,358,270	10,123,917			
* Levy Proceeds for Other Services ⁷		594,000				
* Accounts Receivable - Ferry District Levy Proceeds ⁸	409,399					
Total Revenues	2,049,198	8,922,334	15,791,570	18,427,469	6,894,356	7,142,554
Expenditures						
* Management & Support	(797,947)	(750,000)	(1,801,289)	(1,069,287)	(1,212,109)	(1,255,745)
* Contract Ferry Services ⁹	(1,168,520)	(1,109,395)	(1,604,579)			
* Ferry Operations ⁹		(644,802)	(1,125,368)			
* Vashon Route Operations ¹⁰				(1,975,000)	(2,199,795)	(2,278,988)
* West Seattle Route Operations ¹⁰				(3,140,000)	(3,482,452)	(3,607,820)
* Shuttle Service ⁹		(861,000)	(611,417)			
* Demonstration Route Service ¹⁰		(596,875)	(525,000)	-	-	-
* Labor Strategy Changes		(13,114)				
* COLA Decrease		5,122				
Total Expenditures	(1,966,467)	(3,970,064)	(5,667,653)	(6,184,287)	(6,894,356)	(7,142,554)
Estimated Underexpenditures		-	-	-	-	-
Other Fund Transactions						
* District Management & Oversight ⁷		(594,000)				
* Capital Program Expenditures ⁶	(82,731)	(4,358,270)	(10,123,917)	(12,243,182)		
Total Other Fund Transactions	(82,731)	(4,952,270)	(10,123,917)	(12,243,182)	-	-
Ending Fund Balance	-	-	-	-	(0)	(0)
Reserves & Designations						
Total Reserves & Designations	-	-	-	-	-	-
Ending Undesignated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)
Target Fund Balance ⁴	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Financial Plan Notes:

¹ 2008 Actuals are from the 2008 CAFR or 14th Month ARMS/IBIS.

² 2009 Estimated is based on Revised 2009 Budget submitted to the Ferry District on 5/22/09

³ 2010 is the adopted budget, ordinance 16717 and 2011 Proposed is based on the operational services model prepared by the Marine Division.

⁴ Target fund balance is zero. This fund is 100% reimbursable per Interlocal Agreement between the Ferry District and the Marine Division.

⁵ Supported by King County Ferry District levy proceeds.

⁶ The 2009 King County Adopted Budget for the Marine Division in ordinance 16312 totals \$8,922,334. This amount includes both operating and capital budget in the amounts of \$3,970,064 and \$4,358,270 respectively, and \$594,000 for the KC Ferry District.

⁷ The revenue source for all the expenditures is the King County Ferry District levy proceeds. As documented in the interlocal agreement between King County Ferry District and the King County Department of Transportation Marine Division, District Management & Oversight and Capital Program expenditures were included in other fund transactions.

⁸ At the end of 2008, there was a receivable recorded for the amount of December expenses billed to the Ferry District but not yet paid.

⁹ In 2009 the Marine Division budget was broken down in categories that do not move forward with how the division operations are set up. The Contract Ferry Services were in place for all of 2008 and will be for 9 months of 2009. The Ferry Operations and Shuttle Service categories are now split among the existing routes. Operations and Shuttle Service are part of the cost of running each route, so these costs are assigned to the individual routes based on service hours and transit schedules.

¹⁰ In 2010 the Vashon and West Seattle routes will be operated 100% in-house. West Seattle is scheduled to begin April 1 and Vashon is year-round.

Marine Division Capital Budget

The 2010-2015 Marine Capital Improvement Program (CIP) plan is projected to total \$22.6 million. This is in addition to \$10.2 million that was appropriated in 2008 and 2009. The 2010-11 CIP focuses on leasing vessels on an interim basis, designing and acquiring new vessels, designing, repairing, preserving, improving and creating terminal facilities. The maintenance needs of the fleet will be provided for by acquiring an interim moorage and maintenance facility.

The executive proposed budget for the 2010-2015 six-year capital program is scaled down considerably from the prior year based on the Executive's proposal to lower the Ferry District property tax levy from 5.5 cents to 1.0 cent as part of an effort to strategically reprioritize tax dollars because of significant revenue shortfalls in King County Transit and the growing need for transit service. The 1.0 cent levy preserves and enhances the existing routes from Vashon Island and West Seattle to Downtown Seattle, while postponing demonstration route expansion plans.

The Marine Division capital program provides the infrastructure necessary to deliver safe, reliable and efficient passenger ferry service to residents of King County on a contractual basis for the King County Ferry District. The capital program was set up based on recommendations made in the *King County Passenger-Only Ferry Service Implementation Plan* (November 2007). By preserving existing ferry terminals and planning, designing and building new vessels and a maintenance barge facility, the Marine Division capital program ensures delivery of ferry services that meet the goals of the division and Department of Transportation.

The Marine Division utilizes the framework provided by the King County Department of Transportation's (KCDOT) Mission, Goals, and Objectives as outlined in the 2010-11 Business Plan. Specifically, the Marine Capital Program helps KCDOT achieve the following goals:

- Provide and maintain safe and secure transportation services and facilities.
- Efficiently move more people and goods throughout the region.
- Deliver transportation services in a way that protects and enhances the environment, advances equity and social justice, and promotes healthy and accessible communities.
- Manage costs and seek revenues to meet growing demand for services and facilities.
- Employ, support, and retain a highly skilled, diverse and productive workforce.
- Ensure that excellent internal and external customer service remains front-and-center for the department.²

The program began in 2008, the first year of the King County Ferry District tax levy, which was created to fund the operations and capital program for passenger-only ferry service in King County. Initial planning, environmental documentation, permitting and design activities for terminal repairs and improvements at Vashon, Seattle and West Seattle began in 2008. This work will be substantially completed in 2009 and construction will occur at all three terminals over the next year.

Work also began in 2008 to identify the most cost effective vessel that meets the operational needs of the Ferry District. In 2009, the Marine Division will lease passenger only vessels for use on the Vashon route beginning in September, 2009 and in preparation for in-house, year-round service on the West Seattle route in 2010.

² See page ii of the 2010-11 KCDOT Business Plan.

2010-11 Significant Project Highlights

The total 2010-15 Marine Division capital improvement program (CIP) appropriation request is \$22.6 million. The following table displays the projects with 2010-11 funding request. Additional detail about Marine Division projects can be found in the CIP Budget Book project detail pages.

Significant Projects Marine Capital Improvement Program	2010-11 Executive Proposed Budget	Continuation of Existing Project
Vessel Leases	\$1,740,000	X
Vessel Acquisition	\$7,455,460	X
Vessel Acquisition - Hybrid	\$5,594,408	X
Interim Moorage / Maintenance Facility	\$1,151,411	X
Seattle Interim Terminal Improvements	\$956,239	X
Vashon Interim Terminal Improvements	\$581,984	X

Vessel Leasing for Vashon and West Seattle Routes \$1,740,000

This project provides for leasing vessels on an interim basis until vessels are delivered from a new construction program. The use of leased vessels is recommended in the *King County Passenger-Only Ferry Service Implementation Plan* (November 2007). Three vessels will be leased, one for the Vashon Island route, one for the West Seattle route, and one as a backup vessel. The total cost for this project is estimated at \$3,010,000.

The plan recommends the use of leased vessels for the Vashon Island route starting July 1, 2009. However, the Marine Division has negotiated a vessel lease contract to start in August 2009 in preparation of the revised start date of September 28, 2009, when the Vashon route begins in-house service.

Additionally, leased vessels for the West Seattle route and a backup are required to bring operation of the West Seattle Water Taxi in-house. In-house operation is scheduled begin April 1, 2010, a delay of three months from the *King County Passenger-Only Ferry Service Implementation Plan* (November 2007).

Vessel Design and Acquisition \$13,049,868

With the passage of the 2008 supplemental request, the Marine Division began developing options for the ultimate fleet configuration and vessel operating characteristics or capabilities. Two projects will fund the planning, development of owner's specifications, and shipyard contract to acquire new vessels for the Vashon Island and West Seattle routes built to the county's specifications. These vessels will replace the leased vessels currently used on these routes in the interim.

The 2010-2015 six-year capital program does not include any vessels for future routes in anticipation of policy direction by the Ferry District later this year. Acquisition costs, including design and other startup costs, are estimated at a total cost of \$16,809,931 for three of the nine vessels. This total includes budget prior to and after the 2010-2011 biennium. The first vessel is scheduled for delivery in 2012 and subsequent vessels delivered one every six months through 2013.

Interim Moorage / Maintenance Facility \$1,151,411

To date, the County's contractors, WSF and Argosy, have been responsible for vessel maintenance and moorage on these routes under the terms and conditions of the contract and charter. When the Ferry District assumes direct responsibility for operating these routes using a leased vessel in 2009, it

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will also be responsible for their moorage and maintenance, which will require development of a facility, at a location to be determined.

Ultimately, a permanent moorage and maintenance facility with a concrete float large enough to moor all vessels with easy access for maintenance and outfitting is envisioned as part of the *King County Waterborne Business Plan* (April 3, 2007). The permanent facility is also planned to provide service vehicle and employee parking and maintenance facility offices. However, developing the permanent facility will require a substantial planning, design and construction effort over several years and has been placed on hold in anticipation of policy direction by the Ferry District later this year. As such, an interim facility (intended for three to seven years of use) is needed until the permanent moorage and maintenance facility becomes available.

The interim moorage and maintenance facility will be built during 2009 and 2010, with expected completion by mid 2010. This facility will include a new barge, designed specifically for King County's moorage and maintenance needs. The barge will have moorage for three vessels and be outfitted with trailer/container modules, tools and equipment. The new barge will be incorporated into the long-term moorage and maintenance facility. Negotiations are underway to secure an appropriate moorage location for the moorage and maintenance barge.

Seattle Interim Terminal Improvements \$956,239

This project comprises the near-term repairs and improvements to the Seattle passenger-only ferry terminal identified in the *King County Passenger-Only Ferry Service Implementation Plan* (November 2007). The Washington State Ferries (WSF) passenger-only ferry terminal at Pier 50 Colman Dock needs upgrades and repairs, including: ADA-related upgrades; work on the barge, gangway, and access pier; and improvements related to security, ticketing, signage, and emergency access.

The existing WSF facility at Pier 50 is envisioned to be the hub for all passenger ferry service in Puget Sound. In addition to King County routes, Kitsap Transit, the Port of Kingston, and others are proposing service that would utilize the Pier 50 location. All capital investment on behalf of the Ferry District will be coordinated with the Puget Sound Regional Council and other potential passenger ferry operators. This coordination will include financial and operational partnerships to maximize investments and create a water transit hub at Seattle.

Vashon Interim Terminal Improvements \$581,984

This project has two components, the first of which addresses maintenance and repair needs identified in the *2006 Washington State Ferries Terminal Structural Inspection Report* and confirmed via a site visit by the team that prepared the *King County Passenger-Only Ferry Service Implementation Plan* (2007). In particular, it includes work on the float, guide piles, fendering, and gangway at the Vashon Island passenger-only facility. The second component comprises improvements including ADA-compliant gangplanks, installation of ticket vending machines, a security gate, and passenger information and signage.

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2010/2011 Adopted Biennium Budget for Roads 1030/0730

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	83,684,758	605.40	10.75
	Status Quo**	2,847,013	0.00	0.00
	Status Quo Budget	86,531,771	605.40	10.75
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget	86,757,436	0.00	0.00
		86,757,436	0.00	0.00
Annexations/Incorporations				
AX04	North Highline Annexation	(120,761)	0.00	0.00
		(120,761)	0.00	0.00
Council Changes				
CC01	Reduce Transfer to Sheriff	(1,797,907)	0.00	0.00
CC02	Increase Expenditure to Road Services Operations	1,797,907	0.00	0.00
CC45	Eliminate OSS Contra	656,512	0.00	0.00
CC46	Revise Traffic Loan-Out to CIP	(656,512)	0.00	0.00
		0	0.00	0.00
Improved Service Delivery				
PC01	Additional Snow and Ice Response Equipment	307,060	0.00	0.00
PC05	Permit Integration IT Project Allocation	110,263	0.00	0.00
		417,323	0.00	0.00
Increase in Cost of Services				
PC04	Electricity to Operate Traffic Signals	162,400	0.00	0.00
		162,400	0.00	0.00
Increased Efficiencies/Reduced Costs				
CS01	IT Efficiencies	(153,736)	0.25	0.00
CS02	IT Reorganization - Training and Supplies	(112,795)	0.00	0.00
CS10	IT Reorganization - Labor	112,795	(9.00)	0.00
		(153,736)	(8.75)	0.00
Infrastructure Improvement Needs				
PC10	Vulnerable Roadway Segment Testing	(248,675)	0.00	0.00
RB06	2009 Storm Repair Work Deferred to 2010	834,401	4.00	0.00
		585,726	4.00	0.00
Operational Shutdown Savings				
CR45	Operational Shutdown Savings Contra	(656,512)	0.00	0.00
		(656,512)	0.00	0.00
Revenue Backed Grant Award				
RB07	Road Edgeline Safety Project	500,000	0.00	0.00
		500,000	0.00	0.00
Service Delivery Change				
AS01	Water Quality Sampling	(57,364)	0.00	0.00
AS02	Capital Program & Planning Supervisory Reorganization	(178,463)	(1.00)	0.00
DS01	Eliminate South Park Bridge Tenders	(435,668)	(2.10)	0.00
DS02	Reduce Engineering Svcs Staff for CIP	(145,328)	(2.00)	0.00
DS03	Traffic Section Service Adjustments	(395,197)	(1.00)	0.00

Roads

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Roads 1030/0730

Code/ Item	Description	Expenditures	FTEs *	TLTs
PC02	Asset Preservation	3,589,712	12.00	0.00
RB01	Adjust Maint Services to Contract Cities	(628,637)	(3.00)	0.00
RB02	Adjust Roads CIP Loan-out Labor Workload	0	(6.00)	0.00
RB03	Adjust WLRD Loan-out Labor Workload	0	(6.00)	0.00
RB04	Adjust Other Miscellaneous Loan-out Labor Workload	0	(2.00)	0.00
RB05	Eliminate One Utility Inspection Engineer	(239,372)	(1.00)	0.00
RB08	Adjust Traffic Services to Contract Cities	(284,399)	0.00	0.00
		1,225,284	(12.10)	0.00
Technical Adjustments				
PC03	Eliminate Expired TLT in Maintenance	(203,544)	0.00	(1.00)
TA01	Remove 2009 Adopted Budget Contra	1,601,292	0.00	0.00
TA03	Labor Distribution	5,423,981	0.00	0.00
TA04	DNRP Rural Services Program Allocation	(105,402)	0.00	0.00
TA05	DOT Director's Office Allocation	(280,229)	0.00	0.00
TA20	2010 Revenue Adjustment - \$10,759,207	0	0.00	0.00
CR01	Flexible Benefits	(350,526)	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(470,125)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(66,938)	0.00	0.00
CR08	Technology Services Infrastructure Charge	10,695	0.00	0.00
CR09	Geographic Information Systems Charge	103,891	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	(52,278)	0.00	0.00
CR11	Telecommunications Services	95,017	0.00	0.00
CR12	Telecommunications Overhead	(4,222)	0.00	0.00
CR13	Motor Pool Usage Charge	53,839	0.00	0.00
CR15	Insurance Charges	(36,456)	0.00	0.00
CR16	Radio Access	541	0.00	0.00
CR17	Radio Maintenance	(8,716)	0.00	0.00
CR18	Radio Direct Charges	22,870	0.00	0.00
CR19	Radio Reserve Program	(8,786)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	201,940	0.00	0.00
CR22	Long Term Leases	(39,811)	0.00	0.00
CR23	Facilities Management Custodial Charges	(12,821)	0.00	0.00
CR25	Financial Services Charge	(194,011)	0.00	0.00
CR26	Retirement Rate Adjustment	(1,200,766)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(26,686)	0.00	0.00
CR28	Equipment Repair and Replacement	(215,998)	0.00	0.00
CR29	Wastewater Vehicles	16,481	0.00	0.00
CR30	Printing Loan Recovery	(13,678)	0.00	0.00
CR36	Property Services Lease Administration Fee	831	0.00	0.00
CR37	Facilities Management Strategic Initiative	3,074	0.00	0.00
CR38	Major Maintenance Repair Fund	(2,646)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(103,456)	0.00	0.00
		4,137,357	0.00	(1.00)
Total Change Items for 2010/2011 Biennium Budget		92,854,517	(16.85)	(1.00)

Roads

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Roads 1030/0730

Code/ Item	Description	Expenditures	FTEs *	TLTs
2010/2011 Adopted Biennium Budget		179,386,288	588.55	9.75

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

ER 1 EXPENDITURE RESTRICTION:

Of this appropriation, \$4,000,000 shall be expended solely to reimburse the sheriff for traffic law enforcement expenses in 2010.

P1 PROVIDED THAT:

Of this appropriation, \$1,400,000 may not be expended or encumbered until the executive has submitted a report, for council acceptance by motion, outlining a new organizational structure and staffing plan for the road services division. The report is due to the council on or before May 1, 2010. The council intends that this report be prepared in coordination with Phase 2 of the Roads Operational Master Plan, but be submitted before the Phase 2 report is due to the council.

As part of its comprehensive review of the organizational structure, this report shall include, but not be limited to, analysis of the organizational structure's: (1) reliance on and commitment to performance-based decision making, and the actionable performance measures to be used; (2) consistency with best practices for layers of management, span of control, and ratios of professional to administrative/support staff, and streamlined operational processes; (3) centralization of finance, administrative and other functions; (4) combination of like disciplines into single units; (5) potential efficiencies resulting from the more timely implementation of, and reliance on new technology; and (6) comparison to peer agencies.

The report and motion required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Services Division Operating Budget

The total 2010/2011 Executive Proposed Budget for Roads Services Division, (RSD) is \$179,386,288, 588.55 FTEs and 9.75 TLTs. In recent years, the RSD has developed significant, structural financial challenges due to an increasing backlog of deferred maintenance and limited growth in the division's revenue sources. The division recently completed Phase I of the Road Services Division Operational Master Plan (ROMP) which is intended to develop a common vision of how Road Services will build, operate and maintain the unincorporated-areas road system now and in the future. In the 2010 / 2011 Executive Proposed Biennial Budget, RSD is making several operating reductions as well as reprioritizing its workload.

2011 Base Budget

2011 Base Budget – \$86,757,436. This change inflates the 2010 base budget to generate the 2011 base for the 2010/2011 biennial budget.

Annexations/Incorporations

North Highline Annexation – (\$120,761). On August 18, 2009, the residents of the southern portion of North Highline voted to annex to the City of Burien. The annexation is expected to be effective March 2, 2010. Because responsibility for providing local services to the approximately 14,350 residents of the area will shift to Burien, King County will experience savings across multiple agencies. The annexation will generate \$120,761 savings for RSD for the last ten months of 2010 and all of 2011. The City of Burien has an interlocal agreement (ILA) with RSD to perform “roadway and traffic maintenance services (...) within the city limits, rendering such services at the same level, degree, and type as is customarily provided by the county in unincorporated King County.” This ILA will extend to include the newly annexed area. The annexation will reduce the surface water utility fee paid by RSD and eliminate the property taxes received from the North Highline area causing an initial drop in RSD revenue.

Improved Service Delivery

Additional Storm and Ice Response Equipment – \$307,060. In response to the multiple recent severe winter storms and the DOT's After Action Report, the Road Services Division proposes to build up the division's equipment inventory for snow and ice response equipment. This proposal will construct moveable sheds to store bulk quantities of salt that will be located at various Road Maintenance facilities as well as purchase one sander, two plows with plow assemblies, and two pre-wet deicer systems each year for the next three years. Previously, the division purchased salt by the pallet, stacked in fifty pound bags. Salt purchased in bulk is half the price of salt in bags but requires the one-time cost to construct sheds to protect surrounding land from runoff.

Permit Integration IT Project Allocation – \$110,263. This adjustment continues the Department of Transportation's contribution to a multi-departmental effort to improve the efficiency and transparency of the county's various permit-processing functions.

Increase in Cost of Services

Electricity to Operate Traffic Signals – \$162,400. This proposal reflects an increase in Puget Sound Energy electricity rates and usage since 2006. The division has increased electricity usage for street-light and traffic signals due to new roadway inventory from development, CIP projects, and location upgrades.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Increased Efficiencies/Reduced Costs

IT Efficiencies – (\$153,736) and 0.25 FTE. The division proposes transferring the remaining IT staff and expenditures to the Budget & Technology Management Office within RSD to facilitate a roll-up of technology-related expenses. This proposal also adds 0.25 FTE authority to a business finance officer to provide additional IT project support for division-wide ABT coordination and implementation.

IT Reorganization – Training and Supplies – (\$112,795). In order to create a clear line of accountability for executive branch IT, DOT is updating its IT organizational structure. This proposal reduces operating supplies, training, and long-term leases for the nine FTEs transferred to the Director's Office as a part of the IT reorganization.

IT Reorganization – Labor – \$112,795 / (9.00) FTEs. In order to create a clear line of accountability for executive branch IT, DOT is updating its IT organizational structure. This proposal transfers nine IT FTEs from the Road Services Division to the Department of Transportation (DOT) Director's Office. This proposal also includes the overhead charges to the Director's Office to cover the costs of the IT services the division is receiving from the centralized technology group.

Infrastructure Improvement Needs

Vulnerable Roadway Segment Testing – (\$248,675). Road Services initially funded a two-year study to perform deflection tests on 489 centerline miles in 2008. The study's start date has been delayed until 2009 and is proposed to extend through 2012 as a three-year project. This will spread the project costs over a longer timeframe but at a lower annual cost.

2009 Storm Repair Work Deferred to 2010 – \$834,401 / 4.00 FTEs. In late 2008 and early 2009, King County suffered multiple severe storms and two back-to-back federally declared disasters. While the division has completed 84 projects to date, several projects will not be completed in 2009. This proposal adds one-time costs and grant-backed revenue from the Federal Emergency Management Agency (FEMA) to complete remaining storm repair projects and continue to fund four maintenance FTEs that are eliminated in from several loan-out maintenance reductions listed below. The deferred projects have passed the initial review by FEMA and the state Emergency Management Division. FEMA rules allow eighteen months for completion of emergency storm projects, with extensions available if requested and approved.

Operational Shutdown Savings

Operational Shutdown Savings Contra – (\$656,512). In the face of the severe fiscal challenges across all county funds, the 2010 Executive Proposed Budget includes savings assumptions in an effort to preserve direct services. For 2009, savings were achieved through the implementation of a ten-day building and/or operational closure program, resulting in labor furloughs. The 2010 budget is balanced across all funds assuming that a similar level of savings will be achieved in each agency based on the furlough eligible employees as was adopted for 2009, including 2009 County Council amendments. The specific details of the 2010 plan are still under development, and discussions with labor unions and individual agencies are on-going. Specific plans describing how the 2010 savings will be achieved will be transmitted to the County Council in the coming weeks. To the extent that savings, from labor or other expenses, cannot be fully achieved through temporary and short term building and/or operational closures, the plan will describe additional programmatic reductions and the elimination of additional positions.

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Revenue Backed Grant Award

Road Edge Line Safety Project – \$500,000. This proposal reflects one-time costs and revenue from a federal pass-through grant administered by the Washington State DOT for high risk rural roads. It will allow the division to develop low-cost, widespread solutions to prevent run-off road collisions. The division plans to replace several painted edge lines with thermoplastic rumble strips and increase pavement marking visibility.

Service Delivery Change

In Phase I of the ROMP development, the Advisory Committee recommends the Road Services Division to prioritize the preservation of existing roadway facilities while continuing to address safety and legal requirements in all program areas. Several of the following budget proposals represent the division's reprioritization of activities given its limited and constrained resources.

Water Quality Sampling – (\$57,364). This proposal reduces the frequency of sampling at the division's sand and gravel pits from quarterly to semi-annually and eliminates monthly sampling for dissolved metals, hardness, and alkalinity. Sampling has been completed for ten years and the confidence level of data collected has increased while some analysis has moved to other monitoring programs. This allows the division to meet regulatory requirements while reducing costs. The ROMP Advisory Committee recommends focusing on asset preservation while still addressing legal mandates.

Capital Program Planning Supervisory Reorganization – (\$178,463)/ (1.00) FTE. Road Services will eliminate a vacant transportation planning supervisor position in the division's Capital Improvement Program and Planning section. The Policy and Planning Unit, which produces the division's strategic plan and the Transportation Needs Report, will be restructured and combined with other planning sections.

Eliminate South Park Bridge Tenders – (\$435,668) / (2.10) FTEs. Studies of the South Park Bridge show that the condition of the span is severely deteriorated and was worsened during the 2001 Nisqually Earthquake. A recent inspection found that while it is safe, the bridge is reaching the end of its useful life and scores a four out of 100 on a scale ranking the bridge conditions based on Federal Highway Administration standards. The rating ranges from zero (a bridge that is closed and cannot carry traffic loads) to 100 (a new bridge with no deficiencies). Absent a sufficient funding source to replace the bridge, the division will close the South Park Bridge in mid-2010. This proposal removes bridge tenders who staff the drawbridge around the clock mid-2010.

Reduce Engineering Services Staff for CIP – (\$145,328) / (2.00) FTEs. This proposal eliminates two vacant engineers in the division's Engineering Section who support Road Services CIP projects as well as adjusts loan-out labor in several engineering programs within the section. The division's 2010 / 2011 Executive Proposed CIP Budget requires fewer staff loaned in from Road Services' operating sections due to the smaller capital program compared to the 2009 Adopted Budget.

Traffic Section Service Adjustments – (\$395,197) / (1.00) FTE. The ROMP Advisory Committee explicitly sets priorities for RSD to manage limited resources and recommends the division to focus on preserving the county's roadway assets. The division proposes to reduce service levels in the traffic section in response to its structural funding gap. This proposal eliminates one traffic engineer as well as reduces loan-in labor, materials, and supplies. The division will perform fewer regular traffic counts and special request counts for construction and maintenance projects. In addition, the division will reduce the frequency of paint striping on local streets from annually to once every two years.

Asset Preservation – \$3,589,712 / 12.00 FTEs. The ROMP Advisory Committee recommends asset preservation remains the first priority of the Road Services Division. The division will preserve the

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conditions of roads, bridges, and associated transportation facilities in the existing unincorporated King County system, without adding capacity. This proposal reinstates twelve FTEs from several loan-out maintenance reductions described in other change items below and adds materials to maintain the county's roadways at current service levels.

Adjust Maintenance Services to Contract Cities – (\$628,637) / (3.00) FTEs. This proposal adjusts the number of positions and loan-out labor to match the level of maintenance services requested by contract cities in 2010. Several contract cities are requesting fewer maintenance services in 2010 due to funding constraints and lower maintenance needs. This proposal eliminates one utility worker, one truck driver, and one equipment operator who are proposed to be reinstated in budget adjustments above.

Adjust Roads CIP Loan-Out Labor Workload – (6.00) FTEs. Due to the reduction in CIP projects proposed in 2010 compared to the 2009 Adopted Budget, the division will eliminate one truck driver, one equipment operator, and four utility workers who support Roads CIP. Roads Maintenance staff will instead focus on maintenance activities in the operating budget such as asset preservation and deferred storm work discussed above.

Adjust WLRD Loan-Out Labor Workload – (6.00) FTEs. This proposal reflects decreased work requested from the Water and Land Resources Division (WLRD) Surface Water Management (SWM) and Flood Control programs. Roads Maintenance section will eliminate one truck driver, one equipment operator, three utility workers, and one crew chief. Roads Maintenance staff will instead focus on maintenance activities in the operating budget such as asset preservation and deferred storm work discussed above.

Adjust Other Miscellaneous Loan-Out Labor Workload – (2.00) FTEs. This proposal reflects decreased work requested from the division's Bridge Maintenance program, SWM CIP, Solid Waste, and Parks Division. Roads Maintenance section will eliminate two utility workers who are proposed to be reinstated in budget adjustments above.

Eliminate One Utility Inspection Engineer – (\$239,372) / (1.00) FTEs. When a construction project is located within the county's right of way, it is charged an hourly fee for inspections to ensure the work is performed in compliance with the terms and conditions of the permit. Roads Maintenance utility inspectors inspect construction sites to make sure the necessary utilities are installed in a safe, efficient manner. The division proposes eliminating one utility inspection engineer due to reduced projected construction projects in 2010 that will require utility inspection.

Adjust Traffic Services to Contract Cities – (\$284,399). This proposal adjusts several loan-out labor accounts to match the level of traffic service requested by contract cities in 2010.

Technical Adjustments

Eliminate Expired TLT in Maintenance – (\$203,544) / (1.00) TLT. The division proposes eliminating a term-limited environmental scientist from the Roads Maintenance section. The position's two-year assignment for the development of a catch basin inspection program as a part of the National Pollutant Discharge Elimination System (NPDES) permit requirements is complete.

Remove 2009 Adopted Budget Contra – \$1,601,292. In the 2009 Adopted Budget, a negative expenditure placeholder (contra) was placed in the division's operating budget to balance. This negative account was removed in a supplemental budget ordinance the first quarter of 2009 by moving budget from Roads CIP to operating. This proposal will remove the negative expenditure beyond the 2009 revised budget.

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Labor Distribution – \$5,423,981. This proposed budget adjustment reflects annual technical adjustments associated with the division's distributed labor and administrative overhead cost recovery by revising loan-in/loan-out expenditure and revenue accounts. This proposal also increases several salary contingency accounts for the International Brotherhood of Electrical Workers (IBEW) Local 77 labor settlement. The adjustment has a net impact of (\$397,572) on the fund balance over the 2010/2011 biennium.

DNRP Rural Services Program Allocation – (\$105,402). The Department of Natural Resources and Parks (DNRP) Director's Office has proposed eliminating an inter-departmentally funded Rural Service Delivery manager from its 2010 budget. This proposal eliminates the Road Services' contribution to the position.

DOT Director's Office Allocation – (\$280,229). This proposal adjusts RSD's allocation to cover the Department of Transportation Director's Office 2010 / 2011 Executive Proposed Budget. The portion of Director's Office overhead related to the IT reorganization initiative is included in the IT reorganization budget adjustment for transferred staff.

Revenue Adjustment – \$ 10,759,207. This adjustment makes several revisions to revenue accounts to match the 2010/2011 financial plan including \$6 million for the sale of Covington Pit.

Central Rates – (\$2,298,741). This series of adjustments captures the net effect of countywide charges and results in a \$2,298,741 reduction in charges to the Road Services Division. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

Information Technology Capital Projects

Road Services Division's dedication to service quality also involves the maintenance and continual improvement and updating of IT support systems. The Roads IT project planned for the 2010 / 2011 biennium is described below.

DOT Roads Comprehensive Asset and Maintenance Management (RCAMM) – \$ 654,600. This project involves development and implementation of a computerized maintenance management system (CMMS), or enterprise asset management system, in the Road Services Division (RSD) to provide an adequate view of assets, work, resources, and events. The current asset and work management processes and supporting technology are inadequate to ensure that RSD is making the best investment and resourcing decisions to maintain, operate, and preserve the King County road system. A significant impact of this deficiency is that RSD has been unable to meet program maintenance goals in some areas, resulting in a deferred maintenance backlog that is growing at an estimated \$1-2 million per year. This deferred maintenance backlog is resulting in accelerating rates of deterioration to RSD's infrastructure assets. Implementation of a CMMS system will support information requests, reporting requirements, emergency management, and strategic planning. In addition, the system will be tied to asset locations through a GIS inventory system. This appropriation funds design and implementation of a CMMS system in each of the RSD work groups.

C O U N C I L A D O P T E D B U D G E T

Reduce Transfer to Sheriff - (\$1,797,907). *This change item implements expenditure restriction, ER1, to the 2010/2011 Adopted Biennial Budget. Council limits the 2010 transfer to the Sheriff for*

PHYSICAL ENVIRONMENT PROGRAM PLAN

traffic law enforcement to \$4 million.

Increase Expenditure Authority to Road Services' Operations - \$1,797,907. *As a result of the Council direction to limit the transfer to the Sheriff Office for traffic enforcement, the division has increased appropriation for other safety and efficiency projects in the operating fund.*

Eliminate OSS Contra - \$656,512. *This change removes the operational shutdown savings (OSS) in the Executive Proposed budget for this appropriation.*

Revise Traffic Loan-Out to CIP / (\$656,512). *While preparing staffing data for Council staff, the division discovered an error in the loan-out labor staffing budget. This reduction in lieu of operational shutdown savings corrects the error.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Services Division / 1030

	2008 Actual ¹	2009 Adopted	2009 Estimated ²	2010 Adopted	2011 Adopted	2012 Projected
Beginning Fund Balance	(8,584,691)	(448,145)	(16,835,941)	1,878,298	1,910,588	5,918,230
Revenues						
Property Tax ³	74,998,035	83,206,544	83,470,224	82,907,192	86,240,012	87,751,674
Gas Tax ⁴	14,733,976	15,874,575	15,363,531	15,086,976	15,298,917	15,455,168
Reimbursable Fees for Service ⁵	15,848,817	14,828,365	15,154,191	17,182,764	17,060,754	17,247,961
Sale of Assets	0	9,362,920	960,000	6,000,000	0	0
Grants	1,046,916	2,691,925	8,054,823	4,635,787	2,729,037	2,500,000
Other Revenues ⁶	2,286,847	2,447,834	2,217,058	1,559,820	6,553,252	1,926,461
Total Revenues	108,914,591	128,412,163	125,219,826	127,372,539	127,881,972	124,881,264
Expenditures						
Roads Operating Base (0730)	(76,534,828)	(74,448,998)	(74,448,998)	(81,303,325)	(82,897,941)	(85,548,008)
Surface Water Utility Payment	(3,570,709)	(3,532,511)	(3,532,511)	(3,532,511)	(3,532,511)	(3,532,511)
Traffic Enforcement Payment to Sheriff ⁷	(3,640,706)	(5,703,249)	(5,703,249)	(4,000,000)	(4,120,000)	(4,243,600)
Regional Stormwater Disposal Program (0726)	(544,829)	(917,830)	(917,830)	(609,230)	(627,507)	(646,332)
Encumbrances			(1,265,866)			
Omnibus/Corrections			188,726			
Total Expenditures	(84,291,072)	(84,602,588)	(85,679,728)	(89,445,066)	(91,177,959)	(93,970,451)
Estimated Underexpenditures		846,026	2,035,342	894,451	911,780	939,705
Other Fund Transactions						
Transfer to Roads Construction Fund (0734)	(32,874,769)	(42,609,744)	(42,609,744)	(38,789,633)	(33,608,151)	(31,895,528)
Q1 Supplemental Ordinance (0734)			788,814			
Adjustments for Property Sales Pushed out to 2012 ⁸			18,959,729			
Total Other Fund Transactions	(32,874,769)	(42,609,744)	(22,861,201)	(38,789,633)	(33,608,151)	(31,895,528)
Ending Fund Balance	(16,835,941)	1,597,712	1,878,298	1,910,588	5,918,230	5,873,219
Reserves & Designations						
Prior Year Encumbrance Carryover	(1,265,866)					
Buy out Elk Run Golf Course Lease ⁹					(4,000,000)	(4,000,000)
Total Reserves & Designations	(1,265,866)	0	0	0	(4,000,000)	(4,000,000)
Ending Undesignated Fund Balance	(18,101,807)	1,597,712	1,878,298	1,910,588	1,918,230	1,873,219
Target Fund Balance¹⁰	1,633,719	1,926,182	1,878,297	1,910,588	1,918,230	1,873,219

Financial Plan Notes:

¹ 2008 Actuals are from the 14th month ARMS report.

² 2009 Estimated is based on updated revenue and expenditure data.

³ The financial plan assumes a 1% Unincorporated King County levy growth rate, plus new construction.

⁴ Gas tax estimates are based on the Washington Dept of Transportation's estimate of statewide revenues.

⁵ Reimbursable fees for service include city contracts, expense/revenue identified in the division wide reimbursables org covering discretionary services, MPS admin fees, right-of-way inspection fees, and regional stormwater decant fees.

⁶ Other Revenues include all Road Fund revenues other than those identified in the financial plan.

⁷ The 2010 transfer to the Sheriff's Office includes \$1,540,907 for the STEP unit.

⁸ In order to balance their 2009 budget, Road Services will reduce their CIP transfer commensurate with zero property sales coming in 2008 or 2009.

⁹ The sale of Summit Pit is contingent on the Road Services Division's purchase of the Elk GC lease.

¹⁰ Target Fund Balance is equal to 1.5% of Total Revenues

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Stormwater Decant Program 1030/0726

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	917,830	0.00	0.00
	Status Quo**	(366,340)	0.00	0.00
	Status Quo Budget	551,490	0.00	0.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget	566,993	0.00	0.00
		566,993	0.00	0.00
Expanded Service Delivery				
RB09	Projected Increase in Business	218,349	0.00	0.00
		218,349	0.00	0.00
Technical Adjustments				
TA03	Labor Distribution	(120,414)	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(1,004)	0.00	0.00
CR11	Telecommunications Services	(6)	0.00	0.00
CR12	Telecommunications Overhead	(12)	0.00	0.00
CR25	Financial Services Charge	341	0.00	0.00
CR28	Equipment Repair and Replacement	21,000	0.00	0.00
		(100,095)	0.00	0.00
Total Change Items for 2010/2011 Biennium Budget		685,247	0.00	0.00
2010/2011 Adopted Biennium Budget		1,236,737	0.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Stormwater Decant Program

The total 2010/2011 Executive Proposed Budget for the Stormwater Decant Program is \$1,236,737.

2011 Base Budget

2011 Base Budget – \$566,993. This change item inflates the 2010 base budget to generate the 2011 base for the 2010/2011 biennial budget.

Technical Adjustments

Projected Increase in Business – \$218,349. In 2010, RSD estimates stormwater vector volumes to increase above revised 2009 projections because of new NPDES regulations for local jurisdictions.

Labor Distribution – (\$120,414). This proposed budget adjustment reflects annual technical adjustments associated with the division's distributed labor and administrative overhead cost recovery by revising loan-in/loan-out expenditure and revenue accounts.

Central Rates – \$20,319. This series of adjustments captures the net effect of countywide charges and results in a \$20,319 increase in charges to RSD's Stormwater Decant Program. The increase is attributed to the Road Services Division spreading out its Equipment Repair and Replacement central rate to the Stormwater Decant Program to more accurately reflect the division's costs. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2010/2011 Executive Proposed Biennial Budget

PHYSICAL ENVIRONMENT PROGRAM PLAN

**2010/2011 Adopted Biennium Budget for Roads
Construction Transfer 1030/0734**

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area PE	2009 Adopted	42,609,744	0.00	0.00
	Status Quo**	0	0.00	0.00
	Status Quo Budget	42,609,744	0.00	0.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget	43,888,036	0.00	0.00
		43,888,036	0.00	0.00
Technical Adjustments				
TA01	Transfer to Roads Capital Improvement Program	(14,099,996)	0.00	0.00
		(14,099,996)	0.00	0.00
Total Change Items for 2010/2011 Biennium Budget		29,788,040	0.00	0.00
2010/2011 Adopted Biennium Budget		72,397,784	0.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Road Construction Transfer

The total 2010/2011 Executive Proposed Budget for Road Construction Transfer is \$72,397,784.

2011 Base Budget

2011 Base Budget – \$43,888,036. This change item inflates the 2010 base budget to generate the 2011 base for the 2010/2011 biennial budget.

Technical Adjustments

Transfer to CIP – (\$14,099,996). This proposal reduces the amount transferred from the Roads Operating budget to the Roads Capital Improvement Program (CIP) after accounting for priority operating budget adjustments and meeting the operating fund's ending fund balance requirement of 1.5 percent of total revenues. The division will transfer \$38,789,633 to its capital program in 2010 and \$33,608,151 in 2011.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2010/2011 Executive Proposed Biennial Budget

Road Services Division Capital Budget

The primary goals of the Road Services capital program are improvements to existing roadways to provide safe, efficient and environmentally sound transportation facilities for the movement of goods, services and the general public. The capital program is developed to provide safe roads and bridges; to be consistent with federal, state, and county land use policies and plans; and to meet identified transportation needs.

Due to increasing financial constraints, it is increasingly difficult to accomplish the Road Services capital program goals. The cumulative effect of initiated measures to reduce revenue available for road capital projects, structural deficits requiring re-prioritization of financial resources, a weaker economy and higher construction costs in recent years have forced difficult capital program decisions.

The county can no longer adequately fund enough of its highest priority safety and preservation roadway projects to stave off the overall decline in the condition, structural integrity and safety of its road system. For the first time, the county faces the closure of facilities absent a commitment of additional funding to update aged infrastructure. This not only negatively impacts citizens and businesses that depend on the reliability and safety of the county's roadways but also jeopardizes King County government's AAA bond rating because the road system comprises nearly 40% of the county's physical assets.

Some factors contributing to this financial hardship include:

- **\$65 million cumulative Road Fund revenue loss since 2004 (12% - 15%):** Over the past 5 years the Road Fund has lost \$15-\$18 million in revenue per year as a result of initiated measures, reprioritizations due to structural deficits, the economic downturn, and annexations.
- **Road Fund Use for Traffic Law Enforcement** has grown from \$389,000 in 2001 to its current level of \$5.79 million in 2010. This represents a reprioritization of funding allocations to address the structural General Fund deficit, but creates pressure on the struggling Road Fund.
- **State projects vs. local projects grant allocations are not favorable to King County:** In the 1990's allocations of federal funds were approximately equally divided between state projects and local projects. Since that time the grant allocations have increasingly shifted to state projects. In the next six year program the state share is expected to climb to 76% while the local jurisdiction share falls to 24%.
- **Project costs have increased significantly** resulting from environmental and other regulations; and land acquisition, materials and labor costs.
- **Debt capacity has been maximized:** According to the debt policy tied to available revenues, additional issuance of debt must wait until approximately 2016. The constrained revenue outlook and its negative impact on debt capacity precludes the Dockton Road Preservation high cost construction project until after 2016.
- **Reduction in gas tax and property tax** – There has been a general decline in these revenues due to a decline in property values and a reduced consumer demand for fuel.

In the face of these revenue and expenditure challenges, some difficult choices are being recommended in the Road Services six year capital plan:

Dockton Seawall: Declines in available revenues preclude construction of the high cost Dockton Seawall within this six-year program. The division will continue to monitor the seawall and make repairs as storm events occur. Major damage to the seawall would require road closure until a funding and re-construction plan is developed.

PHYSICAL ENVIRONMENT PROGRAM PLAN

South Park Bridge: While King County has been very aggressive in seeking additional revenues to pay for the \$132 million replacement of the aged South Park Bridge, the efforts at the state, regional and federal levels have not been successful to date. An application has been submitted for the nationwide competition for the \$1.5 billion American Recovery and Reinvestment Act (ARRA) funding. Absent this funding, the continued deterioration of the existing old bridge makes it highly likely that King County will need to close the bridge in 2010 given its deteriorated state. Within six years of its closure, the bridge spans must be removed in compliance with the US Coast Guard requirements for navigable waterways.

Alvord 'T' Bridge: In 2008 the county applied for Bridge Replacement Advisory Committee (BRAC) funding for the replacement of the aged bridge. However, the grant application was denied and the county was directed by WSDOT to examine the feasibility of closing the bridge due to the high cost of replacement weighed against the low traffic volumes and two nearby alternate river crossings within one-half mile of the Alvord 'T' Bridge. This bridge has been posted as "load limited" since the early 1990's. The bridge continues to deteriorate and is approaching the end of its useful life. This CIP proposes closure and then removal of the bridge within the six year plan.

Pavement Overlay: In the past several years, the Road Services Division (RSD) has been able to optimize the lifecycle of the pavement on the county's approximately 570 miles of arterial roadways with a sustainable pavement overlay program. In the meantime, the paved driving surface on many of the county's 1,190 miles of residential access roads is reaching the end of its 20-30 year life cycle. In 2009, the re-introduction of chip seal use on the lower volume residential access and rural roads was funded as a way to achieve the appropriate and optimal pavement overlay for such roads. The proposed 2010-2015 CIP continues to include chip seal on the local access roads, instead of full overlay.

Road Reconstruction: A significant amount of roadway within King County's road system are well over 70 years in age, with some over 100 years. The underlying beds of many of these old roadways are now deteriorating at an accelerated rate due to age and because they were not built for the heavy loads and high volumes of today's traffic. The combined effect of limited financial resources and high construction costs limit the projects that can be scheduled for reconstruction.

2010 Significant Project Highlights

The proposed 2010-2015 RSD CIP totals \$423 million for the six-year period, including a new appropriation in 2010 and 2011 of \$257 million. While the amount programmed in this proposed budget appears higher than previous years that is only because it includes \$135 million of potential funds for the South Park Bridge, funding for which is contingent on receipt of federal ARRA funds.

PHYSICAL ENVIRONMENT PROGRAM PLAN

The following three on-going projects are proposed for grant and grant match funding, debt financing and Summit Pit property sale proceeds.

Significant Projects Solid Waste Capital Improvement Program	2010/2011 Executive Proposed Budget	Continuation of Existing Project
South Park Bridge #3179	\$131,548,000	X
NE Novelty Hill Road	\$37,927,000	X
South Regional Maintenance Facility	\$7,491,000	X

South Park Bridge: 2010/2011 Proposed Budget \$131,548,000

The upcoming scope of work includes the Environmental Impact Study (EIS) for the design and construction alternatives for the bridge. The EIS includes a historical resource survey and documentation. Once the preferred bascule bridge alternative is determined an engineering design will be developed in preparation for bridge replacement. The proposed budget includes budget authority for bridge replacement following the environmental impact statement and design. To finance the construction phase an application has been submitted in the nation-wide competition for the \$1.5 billion American Recovery and Reinvestment Act (ARRA) funding.

NE Novelty Hill Road: 2010/2011 Proposed Budget \$37,927,000

The proposed budget authority covers the cost of design and construction of the first phase of the NE Novelty Hill Road project. The first phase includes road improvements at the following locations: Union Hill Road in the vicinity of 196th Ave NE; 196th / 195th Ave NE from Union Hill Road NE to Novelty Hill Road; and Novelty Hill Road at 196th Ave NE. Work will include the replacement of the Evans Creek Bridge, construction of stormwater facilities, stream and wildlife crossings, and development of mitigation sites.

South Regional Maintenance Facility: \$7,491,000

The proposed budget authority covers the cost of the design, land use permitting and site preparation for the replacement regional maintenance facility. The facility plan will include offices, outbuildings, a maintenance yard and storage facilities at a designated site in the south county. This will consolidate facilities presently located at Summit Pit and Black Diamond. Consolidating services into a new regional maintenance facility would more efficiently house crews, vehicles and materials. This body of work is mandated by the terms of the purchase and sale agreement with a potential purchaser of the Summit Pit site.

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Motor Pool Equipment Rental and Revolving 5580/0780

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	13,269,130	20.00	0.00
	Status Quo**	(686,618)	0.00	0.00
	Status Quo Budget	12,582,512	20.00	0.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget	12,959,988	0.00	0.00
		12,959,988	0.00	0.00
Council Changes				
CC01	Eliminate Second Shift and Other Reductions	(48,951)	0.00	0.00
CC45	Eliminate OSS Contra	48,951	0.00	0.00
		0	0.00	0.00
Increased Efficiencies/Reduced Costs				
CS01	Deferral of IT Equipment Replacement	(2,330)	0.00	0.00
RB01	Vehicle Operating and Maintenance Program	(23,251)	(1.00)	0.00
RB02	Vehicle/Equipment Replacement	(93,178)	0.00	0.00
		(118,759)	(1.00)	0.00
Operational Shutdown Savings				
CR45	Operational Shutdown Savings Contra	(48,951)	0.00	0.00
		(48,951)	0.00	0.00
Technical Adjustments				
TA01	Fund Balance Rebate- Underutilization	77,584	0.00	0.00
TA20	Biennial Revenues (\$726,470)	0	0.00	0.00
CR01	Flexible Benefits	(11,280)	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(7,798)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(610)	0.00	0.00
CR08	Technology Services Infrastructure Charge	435	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	(1,831)	0.00	0.00
CR11	Telecommunications Services	(774)	0.00	0.00
CR12	Telecommunications Overhead	(1,413)	0.00	0.00
CR14	Facilities Management Space Charge	(61,281)	0.00	0.00
CR16	Radio Access	(54)	0.00	0.00
CR17	Radio Maintenance	10	0.00	0.00
CR18	Radio Direct Charges	2,785	0.00	0.00
CR22	Long Term Leases	(7,155)	0.00	0.00
CR25	Financial Services Charge	(11,343)	0.00	0.00
CR26	Retirement Rate Adjustment	(30,450)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,152)	0.00	0.00
CR29	Wastewater Vehicles	(1,024)	0.00	0.00
CR30	Printing Loan Recovery	(476)	0.00	0.00
CR36	Property Services Lease Administration Fee	2,330	0.00	0.00
CR37	Facilities Management Strategic Initiative	94	0.00	0.00
CR38	Major Maintenance Repair Fund	(17,402)	0.00	0.00
CR39	COLA Adjustment	(1,505)	0.00	0.00
CR40	Merit Adjustment	(735)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(3,358)	0.00	0.00
		(76,403)	0.00	0.00
Total Change Items for 2010/2011 Biennium Budget		12,715,875	(1.00)	0.00

Motor Pool Equipment Rental and Revolving

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Motor Pool Equipment Rental and Revolving 5580/0780

Code/ Item	Description	Expenditures	FTEs *	TLTs
2010/2011 Adopted Biennium Budget		25,298,387	19.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

P1 PROVIDED THAT:

Of this appropriation, \$100,000 may not be expended or encumbered until the executive has submitted a report, for council acceptance by motion, on possible efficiencies and cost savings that could result from assigning the fleet administration division responsibility for maintaining county fleets, other than the transit revenue vehicle fleet, that are not currently maintained by the fleet administration division. This report and motion shall be due by May 1, 2010.

This report shall address, but not be limited to: (1) efficiencies that could result from further consolidation of maintenance operations within the fleet administration division; (2) cost savings that could result from such consolidation; (3) additional costs of staffing, facilities, equipment, and financial/accounting systems that would be required for this consolidation; (4) potential savings from schedule efficiencies and revised overtime policies; (5) impact on any county contracts for services provided by private sector firms; and (6) the steps necessary for the fleet administration division to assume the management and maintenance of each fleet.

The report and motion required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Motor Pool ER&R Fund

The Motor Pool ER&R Fund is one of three funds that make up the Fleet Administration (Fleet) Division. The total 2010/2011 Executive Proposed Biennial Budget for the Motor Pool ER&R Fund includes \$25,298,387 and 19.00 FTEs.

2011 Base Budget

2011 Base Budget – \$12,959,988 Expenditure / \$13,037,785 Revenue. This change inflates the 2010 base budget to generate the 2011 base for the 2010/2011 biennial budget.

Increased Efficiencies/Reduced Costs

Deferral of IT Equipment Replacement – (\$2,330). This proposal defers IT equipment replacement in 2010, in accordance with the Chief Information Officer's Advisory.

Vehicle Operating and Maintenance Program – (\$23,251) / (1.00) FTE. This program change supports the decrease in operating and maintenance costs of vehicles and equipment in the Motor Pool Fund and allows for their timely maintenance and repair. Included in this change is the elimination of a vacant vehicle dispatcher position (one FTE) and the implementation of the Unattended Dispatch System at the Goat Hill and King Street Center garages. The system provides around-the-clock access to county vehicles and decreases the costs of the dispatch vehicle system.

Vehicle/Equipment Replacement – (\$93,178). This request supports the replacement of vehicles and equipment that have reached the end of the useful life. Agency contributions to Motor Pool are relatively consistent from year to year; however, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

Operational Shutdown Savings

Operational Shutdown Savings Contra – (\$48,951). In the face of the severe fiscal challenges across all county funds, the 2010 Executive Proposed Budget includes savings assumptions in an effort to preserve direct services. For 2009, savings were achieved through the implementation of a ten-day building and/or operational closure program, resulting in labor furloughs. The 2010 budget is balanced across all funds assuming that a similar level of savings will be achieved in each agency based on the furlough eligible employees as was adopted for 2009, including 2009 County Council amendments. The specific details of the 2010 plan are still under development, and discussions with labor unions and individual agencies are on-going. Specific plans describing how the 2010 savings will be achieved will be transmitted to the County Council in the coming weeks. To the extent that savings, from labor or other expenses, cannot be fully achieved through temporary and short term building and/or operational closures, the plan will describe additional programmatic reductions and the elimination of additional positions.

Technical Adjustments

Fund Balance Rebate - Underutilization – \$77,584. Executive policy, set by the Vehicle Utilization Committee, sets minimum usage standards for light duty vehicles, effective in 2009. While 63 vehicles, countywide, have been declared "underutilized," only 17 of those vehicles are in Fleet's inventory. Others are in other agencies' inventories, including Public Health, Solid Waste and Transit. This change requests added expenditure authority, of \$77,584, in order to refund replacement costs for

PHYSICAL ENVIRONMENT PROGRAM PLAN

those vehicles that are turned in.

Biennial Revenues – (\$726,470) Revenue. This change reduces Motor Pool ER&R Fund's revenues required for proper operation and maintenance of Fleet vehicles and for vehicle/equipment replacement in the biennium, in accordance with the full-cost recovery model.

Central Rates – (\$153,987). This series of adjustments captures the net effect of countywide charges and results in a \$153,987 reduction in charges to the Motor Pool ER&R Fund. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

C O U N C I L A D O P T E D B U D G E T

Eliminate Second Shift and Other Reductions – (\$48,951). The 2010 adopted budget eliminates the second shift at the Renton facility and makes other reductions in lieu of the operation shutdown savings.

Eliminate OSS Contra - \$48,951. This change removes the operational shutdown savings (OSS) in the Executive Proposed budget for this appropriation.

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Financial Plan

5580/0780

Motor Pool Equipment Rental Fund/Motor Pool Equipment Rental and Revolving

	2008 Actual ¹	2009 Adopted	2009 Estimated ²	2010 Adopted	2011 Adopted ³	2012 Projected ³
Beginning Fund Balance	\$ 4,943,894	\$ 3,620,193	\$ 4,854,334	\$ 3,454,088	\$ 3,411,865	\$ 3,125,059
Revenues						
* Garage Services & Supplies	120,259	273,184	273,184	286,040	294,621	303,460
* Investment Interest	155,673	101,418	101,418	48,225	52,190	81,381
* Sale of Equipment	156,898	392,484	392,484	295,760	343,987	350,351
* Other Miscellaneous Revenues	103,670	139,050	139,050	139,050	140,914	145,141
* Fund Balance Transfers - Orcas St.	157,526	205,025	205,025	189,987	195,687	201,557
* Vehicle Rental Revenues	9,973,228	10,546,450	10,687,657	11,341,115	11,641,784	12,456,709
Total Revenues	10,667,254	11,657,611	11,798,818	12,300,177	12,669,182	13,538,598
Expenditures						
* Operating and Maintenance	(7,307,571)	(8,758,242)	(8,758,242)	(8,528,365)	(8,615,577)	(8,833,496)
* Capital Equipment Replacement	(3,419,420)	(4,299,835)	(4,299,835)	(3,696,998)	(4,299,835)	(4,379,386)
* Debt Service-Core Financial	(40,563)	(39,453)	(39,453)	(39,453)	(40,575)	(40,548)
* One Time Fund Balance Rebate		(171,600)	(171,600)	(77,584)		
* 2008-2009 Carryover Encumbrances			(1,264,991)			
Total Expenditures	(10,767,554)	(13,269,130)	(14,534,121)	(12,342,400)	(12,955,987)	(13,253,430)
Estimated Underexpenditures ⁶		-	1,335,057	-	-	-
Other Fund Transactions						
CAFR Adjustments	10,740					
Total Other Fund Transactions	10,740	-	-	-	-	-
Ending Fund Balance	4,854,334	2,008,674	3,454,088	3,411,865	3,125,059	3,410,227
Reserves & Designations						
* Unrealized Investment Impairment						
* Allowance of Inventory	(72,858)	(94,746)	(94,746)	(97,588)	(100,516)	(103,532)
* Contingency for Capital Improvement ⁵	(361,679)	(340,053)	(340,053)	(369,005)	(380,075)	(406,158)
* 2008-2009 Carryover Encumbrances	(1,264,991)					
Total Reserves & Designations	(1,699,528)	(434,799)	(434,799)	(466,594)	(480,591)	(509,689)
Ending Undesignated Fund Balance	\$ 3,516,485	\$ 1,913,928	\$ 3,359,342	\$ 3,314,276	\$ 3,024,543	\$ 3,306,696
Projected Fleet Replacement Cost (PFRC)	28,288,675	29,217,801	29,217,801	30,554,973	31,471,622	32,415,771
Percent of Proj. Fleet Repl. Cost	12%	7%	11%	11%	10%	10%

Target Fund Balance⁴ - 10% of PFRC	2,828,868	2,921,780	2,921,780	3,055,497	3,147,162	3,241,577
Target Fund Balance- 20% of PFRC	5,657,735	5,843,560	5,843,560	6,110,995	6,294,324	6,483,154

Financial Plan Notes:

¹ 2008 Actuals are from the 2008 CAFR.

² 2009 Estimated is based on annualized revenue & expenditure report.

³ 2012 Projected is based on the following assumptions:

- a) Assumes 1.45% annual percentage rate on investment earnings.
- b) Assumes sale of equipment is 8% of annual capital expenditures.
- c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated increase 3% per year.
- f) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

⁵ Contingency for Capital Improvements is not included in the Ending Undesignated Fund Balance

⁶ Estimated Underexpenditures equal 5% of 2009 adopted expenditures plus \$171,600, One Time Fund Balance Rebate, and \$500,000 projected fuel under-expenditures

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Equipment Rental and Revolving 5570/0750

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	13,698,387	56.00	0.00
	Status Quo**	104,252	0.00	0.00
	Status Quo Budget	13,802,639	56.00	0.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget \$12,211,984	14,216,718	0.00	0.00
		14,216,718	0.00	0.00
Council Changes				
CC01	Eliminate Second Shift and Other Reductions	(147,894)	0.00	0.00
CC45	Eliminate OSS Contra	147,894	0.00	0.00
		0	0.00	0.00
Increase in Cost of Services				
RB01	Vehicle/Equipment Replacement	87,337	0.00	0.00
		87,337	0.00	0.00
Increased Efficiencies/Reduced Costs				
CS01	Deferral of Equipment Replacement	(11,940)	0.00	0.00
RB02	Vehicle Operating and Maintenance Program	(523,220)	0.00	0.00
		(535,160)	0.00	0.00
Operational Shutdown Savings				
CR45	Operational Shutdown Savings Contra	(147,894)	0.00	0.00
		(147,894)	0.00	0.00
Revenue Backed				
RB03	Cost-sharing Rent for Maintenance Shop \$172,171	172,171	0.00	0.00
TA01	Grant Application Awards (\$100,000)	(100,000)	0.00	0.00
		72,171	0.00	0.00
Technical Adjustments				
TA20	Biennial Revenues (\$37,271)	0	0.00	0.00
CR01	Flexible Benefits	(31,584)	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(29,335)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	1,618	0.00	0.00
CR08	Technology Services Infrastructure Charge	2,110	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	(4,411)	0.00	0.00
CR11	Telecommunications Services	(33)	0.00	0.00
CR12	Telecommunications Overhead	(280)	0.00	0.00
CR13	Motor Pool Usage Charge	(8,739)	0.00	0.00
CR14	Facilities Management Space Charge	(18,511)	0.00	0.00
CR16	Radio Access	58	0.00	0.00
CR17	Radio Maintenance	(27)	0.00	0.00
CR18	Radio Direct Charges	755	0.00	0.00
CR22	Long Term Leases	(4,215)	0.00	0.00
CR25	Financial Services Charge	8,173	0.00	0.00
CR26	Retirement Rate Adjustment	(98,829)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(2,795)	0.00	0.00
CR28	Equipment Repair and Replacement	(45,972)	0.00	0.00
CR29	Wastewater Vehicles	(19,465)	0.00	0.00
CR36	Property Services Lease Administration Fee	53	0.00	0.00

Equipment Rental and Revolving

PHYSICAL ENVIRONMENT PROGRAM PLAN

**2010/2011 Adopted Biennium Budget for Equipment
Rental and Revolving 5570/0750**

Code/ Item	Description	Expenditures	FTEs *	TLTs
CR37	Facilities Management Strategic Initiative	296	0.00	0.00
CR38	Major Maintenance Repair Fund	(6,028)	0.00	0.00
CR39	COLA Adjustment	(1,983)	0.00	0.00
CR40	Merit Adjustment	(2,378)	0.00	0.00
CR46	Countywide Strategic Technology Projects	(9,403)	0.00	0.00
		(270,925)	0.00	0.00
Total Change Items for 2010/2011 Biennium Budget		13,422,247	0.00	0.00
2010/2011 Adopted Biennium Budget		27,224,886	56.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

P1 PROVIDED THAT:

Of this appropriation, \$100,000 may not be expended or encumbered until the executive has submitted a report, for council acceptance by motion, on possible efficiencies and cost savings that could result from assigning the fleet administration division responsibility for maintaining county fleets, other than the transit revenue vehicle fleet, that are not currently maintained by the fleet administration division. This report and motion shall be due by May 1, 2010.

This report shall address, but not be limited to: (1) efficiencies that could result from further consolidation of maintenance operations within the fleet administration division; (2) cost savings that could result from such consolidation; (3) additional costs of staffing, facilities, equipment and financial/accounting systems that would be required for this consolidation; (4) potential savings from schedule efficiencies and revised overtime policies; (5) impact on any county contracts for services provided by private sector firms; and (6) the steps necessary for the fleet administration division to assume the management and maintenance of each fleet.

The report and motion required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Public Works ER&R Fund

The Public Works ER&R Fund is one of three funds that make up the Fleet Administration (Fleet) Division. The total 2010/2011 Executive Proposed Biennial Budget for the Public Works ER&R Fund includes \$27,224,886 and 56.00 FTEs.

2011 Base Budget

2011 Base Budget – \$14,216,718 Expenditure / \$12,211,984 Revenue. This change inflates the 2010 base budget to generate the 2011 base for the 2010/2011 biennial budget.

Increase in Cost of Services

Vehicle/Equipment Replacement – \$87,337. This proposal supports the replacement of vehicles and equipment that have reached the end of the useful life. Agency contributions to the Public Works ER&R Fund are relatively consistent from year-to-year; however, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

Increased Efficiencies/Reduced Costs

Deferral of IT Equipment Replacement – (\$11,940). This proposal defers IT equipment replacement in 2010, in accordance with the Chief Information Officer's Advisory.

Vehicle Operating and Maintenance Program – (\$523,220). This program change supports the decrease in operating and maintenance costs of vehicles and equipment in the Public Works ER&R Fund and allows for their timely maintenance and repair.

Operational Shutdown Savings

Operational Shutdown Savings Contra – (\$147,894). In the face of the severe fiscal challenges across all county funds, the 2010 Executive Proposed Budget includes savings assumptions in an effort to preserve direct services. For 2009, savings were achieved through the implementation of a ten-day building and/or operational closure program, resulting in labor furloughs. The 2010 budget is balanced across all funds assuming that a similar level of savings will be achieved in each agency based on the furlough eligible employees as was adopted for 2009, including 2009 County Council amendments. The specific details of the 2010 plan are still under development, and discussions with labor unions and individual agencies are on-going. Specific plans describing how the 2010 savings will be achieved will be transmitted to the County Council in the coming weeks. To the extent that savings, from labor or other expenses, cannot be fully achieved through temporary and short term building and/or operational closures, the plan will describe additional programmatic reductions and the elimination of additional positions.

Revenue Backed

Cost-sharing Rent for Maintenance Shop – \$172,171 Expenditure / \$172,171 Revenue. Road Services Division and Fleet have agreed that the Fleet Division shall pay the costs of rent for the Renton Maintenance Shop to Road Services Division. However, these costs will be recovered in the increase of rental rates to customer agencies, legally assuming a full-cost recovery model.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Grant Application Awards – (\$100,000) Expenditure / (\$100,000) Revenue. This net decrease in expenditures represents the 2009 expiration of a \$250,000 Environmental Protection Agency grant and a newly available \$150,000 grant awarded through the Congestion Mitigation Air Quality (CMAQ) Improvement Program, a U.S. Department of Transportation grant program. The new funds subsidize a portion of the incremental costs of cleaner, advanced-technology fleet vehicles over conventional vehicles and equipment.

Technical Adjustments

Biennial Revenues – (\$37,271) Revenue. This change item reduces Public Works ER&R Fund's revenues required for proper operation and maintenance of Fleet vehicles and for vehicle/equipment replacement in the biennium.

Central Rates – (\$270,925). This series of adjustments captures the net effect of countywide charges and results in a \$270,925 reduction in charges to the Public Works ER&R Fund. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

C O U N C I L A D O P T E D B U D G E T

Eliminate Second Shift and Other Reductions – (\$147,894). *The 2010 adopted budget eliminates the second shift at the Renton facility and makes other reductions in lieu of the operation shutdown savings.*

Eliminate OSS Contra - \$147,894. *This change removes the operational shutdown savings (OSS) in the Executive Proposed budget for this appropriation.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Financial Plan

5570/0750

Equipment Rental and Revolving Fund/Equipment Rental and Revolving

	2008 Actual ¹	2009 Adopted	2009 Estimated ²	2010 Adopted	2011 Adopted ³	2012 Projected ³
Beginning Fund Balance	7,710,261	5,748,872	8,618,662	5,182,884	3,824,481	3,376,367
Revenues						
* Sales of Stores & Materials	1,291,401	715,811	715,811	779,144	802,519	826,594
* Investment Interest	247,586	151,771	151,771	62,676	49,594	53,049
* Sale of Equipment	101,568	444,183	444,183	447,127	488,293	351,604
* Other Miscellaneous Revenues	425,209	472,280	472,280	467,280	490,644	515,176
* Vehicle Rental Revenues	8,827,522	8,309,358	8,309,358	8,939,431	9,292,979	10,192,023
* Personal Property & Fixed Assets Revenues	449,224	941,294	941,294	977,089	1,006,402	1,036,594
* Environmental Grants	45,000	250,000	250,000	150,000	150,000	150,000
Total Revenues	11,387,510	11,284,697	11,284,697	11,822,748	12,280,431	13,125,040
Expenditures						
* Operating and Maintenance	(8,082,576)	(8,855,706)	(8,855,706)	(8,390,620)	(8,833,828)	(8,981,802)
* Capital Equipment Replacement	(1,626,032)	(3,701,523)	(3,701,523)	(3,788,860)	(4,069,111)	(2,930,031)
* Debt Service - Core Financial	0	(50,908)	(50,908)	(50,908)	(58,511)	(58,529)
* Personal Property & Fixed Assets	(733,495)	(840,250)	(840,250)	(800,763)	(824,786)	(849,529)
* 2008-2009 Carryover Encumbrances			(2,407,007)			
* Environmental Grants		(250,000)	(250,000)	(150,000)	(257,500)	0
Total Expenditures	(10,442,103)	(13,698,387)	(16,105,394)	(13,181,151)	(14,043,735)	(12,819,892)
Estimated Underexpenditures⁶			1,384,919			
Other Fund Transactions						
* Other Financial Transactions(CAFR adjustments)	(37,006)					
Equipment Replacement Adjustment					1,315,191	
Total Other Fund Transactions	(37,006)	0	0	0	1,315,191	0
Ending Fund Balance	8,618,662	3,335,182	5,182,884	3,824,481	3,376,367	3,681,515
Reserves & Designations						
* Allowance for Inventory	(1,181,209)	(1,043,390)	(1,043,390)	(1,069,475)	(1,101,559)	(1,134,606)
* Contingency for Capital Improvement ⁵	(314,977)	(338,541)	(338,541)	(354,682)	(368,413)	(389,251)
* 2008-2009 Carryover Encumbrances	(2,407,007)					
*						
Total Reserves & Designations	(3,903,193)	(1,381,931)	(1,381,931)	(1,424,157)	(1,469,972)	(1,523,857)
Ending Undesignated Fund Balance⁵	5,030,446	2,291,792	4,139,494	2,755,006	2,274,808	2,546,909
Projected Fleet Replacement Cost (PFRC)	31,738,813	32,690,980	32,690,980	33,582,010	33,917,830	33,917,830
Percent of Proj. Fleet Repl. Cost	16%	7%	13%	8%	7%	8%
Target Fund Balance - 10% of PFRC ⁴	3,173,881	3,269,098	3,269,098	3,358,201	3,391,783	3,391,783
Target Fund Balance - 20% of PFRC	6,347,763	6,538,196	6,538,196	6,716,402	6,783,566	6,783,566

Financial Plan Notes:

¹ 2008 Actuals are from the 2008 draft CAFR information.

² 2009 Estimated is based on annualized revenue & expenditure report.

³ 2012 Projected is based on the following assumptions:

a) Assumes 1.45% annual percentage rate on investment earnings.

b) Assumes sale of equipment is 12% of annual capital expenditures.

c) Assumes 5% annual increase in miscellaneous revenues as well as in operating and maintenance costs.

d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.

e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated to increase 3% per year.

f) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

⁵ Contingency for Capital Improvements is not included in the Ending Undesignated Fund Balance

⁶ Estimated Underexpenditures equal 5% of 2009 adopted expenditures plus \$700,000, projected fuel under-expenditures

⁷ This adjusts the Capital Equipment Replacement assumption to match the Capital Equipment Replacement Plan.

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Wastewater Equipment Rental and Revolving 5441/0137

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	5,505,646	0.00	0.00
	Status Quo**	(1,617,073)	0.00	0.00
	Status Quo Budget	3,888,573	0.00	0.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget \$2,850,167	4,005,230	0.00	0.00
		4,005,230	0.00	0.00
Increase in Cost of Services				
RB01	Vehicle/Equipment Replacement	1,496,800	0.00	0.00
RB02	Vehicle Operating & Maintenance Program	56,634	0.00	0.00
		1,553,434	0.00	0.00
Increased Efficiencies/Reduced Costs				
CS01	Deferral of Equipment Replacement	(1,240)	0.00	0.00
		(1,240)	0.00	0.00
Technical Adjustments				
TA20	Biennial Revenues (\$85,028)	0	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(3,793)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	256	0.00	0.00
CR25	Financial Services Charge	(57,339)	0.00	0.00
		(60,876)	0.00	0.00
Total Change Items for 2010/2011 Biennium Budget		5,496,548	0.00	0.00
2010/2011 Adopted Biennium Budget		9,385,121	0.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

P1 PROVIDED THAT:

Of this appropriation, \$100,000 may not be expended or encumbered until the executive has submitted a report for council acceptance by motion, on possible efficiencies and cost savings that could result from assigning the fleet administration division responsibility for maintaining county fleets, other than the transit revenue vehicle fleet, that are not currently maintained by the fleet administration division. This report and motion shall be due by May 1, 2010.

This report shall address, but not be limited to: (1) efficiencies that could result from further consolidation of maintenance operations within the fleet administration division; (2) cost savings that could result from such a consolidation; (3) additional costs of staffing, facilities, equipment and financial/accounting systems that would be required for this consolidation; (4) potential savings from schedule efficiencies and revised overtime policies; (5) impact on any county contracts for services provided by private sector firms; and (6) the steps necessary for the fleet administration division to assume the management and maintenance of each fleet.

The report and motion required to be submitted by this proviso must be filed in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers and to the committee coordinator for the physical environment committee or its successor.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Wastewater ER&R Fund

The Wastewater ER&R Fund is one of three funds that make up the Fleet Administration (Fleet) Division. The total 2010/2011 Executive Proposed Biennial Budget for the Wastewater ER&R Fund is \$9,385,121.

2011 Base Budget

2011 Base Budget – \$4,005,230 Expenditure / \$2,850,167 Revenue. This change inflates the 2010 base budget to generate the 2011 base for the 2010/2011 biennial budget.

Increase in Cost of Services

Vehicle/Equipment Replacement – \$1,496,800. This proposal supports the replacement of vehicles and equipment that have reached the end of the useful life. Agency contributions to the Wastewater ER&R Fund are relatively consistent from year-to-year; however, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year. Beginning in 2010, Wastewater Division's 27 heavy-duty tractors and trailers will reach their end-of-life period. In partnership with Wastewater Division, Fleet Division structured a replacement program that allows Wastewater Division to replace the 27 heavy-duty tractors and trailers over a four-year period. This phasing-in will make this fleet more dependable over time and result in more stable annual maintenance costs. This requested expenditure authority allows for the first two years of the phased-in replacement, beginning in 2010.

Vehicle Operating and Maintenance Program – \$56,634. This change supports the increase in operating and maintenance costs of vehicles and equipment in the Wastewater ER&R Fund and allows for their timely maintenance and repair.

Increased Efficiencies/Reduced Costs

Deferral of IT Equipment Replacement – (\$1,240). This proposal defers IT equipment replacement in 2010, in accordance with the Chief Information Officer's Advisory.

Technical Adjustments

Biennial Revenues – (\$85,028) Revenue. This change reduces Wastewater ER&R Fund's revenues required for proper operation and maintenance of Fleet vehicles and for vehicle/equipment replacement in the biennium.

Central Rates – (\$60,876). This series of adjustments captures the net effect of countywide charges and results in a \$60,876 reduction in charges to the Wastewater ER&R Fund. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2010 Executive Proposed Budget

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Financial Plan

5441/0137

Wastewater Equipment Rental and Revolving

	2008 Actual ¹	2009 Adopted	2009 Estimated ²	2010 Adopted	2011 Adopted ³	2012 Projected ³
Beginning Fund Balance	5,490,897	5,549,598	\$ 6,338,541	\$ 5,793,190	\$ 3,893,925	\$ 1,940,360
Revenues						
* Investment Interest	187,443	140,784	140,784	70,293	46,231	26,222
* Sale of Equipment	28,032	427,204	147,769	268,447	234,827	106,864
* Other Miscellaneous Revenues						
* Net realized and unrealized impaired investments	(59,538)	15,000	15,000	15,000	15,450	15,914
* Vehicle Rental Revenues	2,006,222	2,275,495	2,275,495	2,371,526	2,510,518	2,661,149
Total Revenues	2,162,159	2,858,483	2,579,048	2,725,266	2,807,025	2,810,148
Expenditures						
* Operating and Maintenance	(891,075)	(1,233,611)	(1,233,611)	(1,198,297)	(1,334,356)	(1,374,387)
* Capital Equipment Replacement ⁶	(427,233)	(4,272,035)	(1,847,115)	(3,426,234)	(3,426,234)	(1,335,795)
* 2008 - 2009 Carryover Encumbrances			(43,673)			
Total Expenditures	(1,318,308)	(5,505,646)	(3,124,399)	(4,624,531)	(4,760,590)	(2,710,182)
Estimated Underexpenditures		-	-	-	-	-
Other Fund Transactions						
* Other Fund Transactions	3,792					
Total Other Fund Transactions	3,792	-	-	-	-	-
Ending Fund Balance	6,338,541	2,902,435	5,793,190	3,893,925	1,940,360	2,040,327
Reserves & Designations						
* Allowance for Inventory	(3,104)	(1,812)	(1,812)	(1,866)	(1,922)	(1,980)
* Contingency for Capital Improvement ⁵	(75,647)	(85,754)	(85,754)	(81,758)	(84,211)	(84,304)
* 2008 - 2009 Carryover Encumbrances	(43,673)					
Total Reserves & Designations	(122,424)	(87,566)	(87,566)	(83,624)	(86,133)	(86,284)
Ending Undesignated Fund Balance	\$ 6,291,764	\$ 2,900,623	\$ 5,791,378	\$ 3,892,059	\$ 1,938,438	\$ 2,038,346
Projected Fleet Replacement Cost (PFRC)	18,109,404	18,851,850	18,851,850	19,731,843	20,126,480	20,529,009
Percent of Proj. Fleet Repl. Cost	35%	15%	31%	20%	10%	10%

Target Fund Balance - 10% of PFRC ⁴	1,810,940	1,885,185	1,885,185	1,973,184	2,012,648	2,052,901
Target Fund Balance - 20% of PFRC	3,621,881	3,770,370	3,770,370	3,946,369	4,025,296	4,105,802

Financial Plan Notes:

¹ 2008 Actuals are from the 2008 CAFR or 14th Month ARMS/IBIS.

² 2009 Estimated is based on annualized revenue and expenditure report. Capital Equipment Replacement expenditure is adjusted by \$2,424,920. The original replacement plan for the Biosolid's program was to replace 16 truck and trailer combinations in 2009. This has been reduced by 10 at a cost of \$242,492 each, or \$2,424,920. A revised, agreed upon, replacement schedule replaces these trucks and trailers over a four year period.

³ 2011 Projected is based on the following assumptions:

- a) Assumes 1.45% annual percentage rate on investment earnings.
- b) Assumes sale of equipment is 7% of annual capital expenditures.
- c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

⁵ Contingency for Capital Improvements is not included in the Ending Undesignated Fund Balance

⁶ Capital Equipment Replacement reflects a large increase for 2009 through 2012 due to the replacement of Wastewater Biosolid program's 27 transport truck/trailer combinations. These trucks and trailer replacements, cost of approximately \$250,000 each, are being replaced over a four year period after which the Capital Equipment Replacement will return to a normal cyclical replacement cost.

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010/2011 Adopted Biennium Budget for Airport 4290/0710

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area				
PE				
	2009 Adopted	14,181,688	47.00	2.00
	Status Quo**	89,714	0.00	0.00
	Status Quo Budget	14,271,402	47.00	2.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget	14,682,693	0.00	0.00
		14,682,693	0.00	0.00
Change in Administrative Need				
AS01	Eliminate Expired TLT	(211,938)	0.00	(1.00)
TA01	Convert Enviro Engineer TLT to FTE	0	1.00	(1.00)
		(211,938)	1.00	(2.00)
Council Changes				
CC45	Eliminate OSS Contra	145,002	0.00	0.00
		145,002	0.00	0.00
Increased Efficiencies/Reduced Costs				
CS10	IT Reorganization	(10,426)	(2.00)	0.00
		(10,426)	(2.00)	0.00
Operational Shutdown Savings				
CR45	Operational Shutdown Savings Contra	(145,002)	0.00	0.00
		(145,002)	0.00	0.00
Technical Adjustments				
TA02	Miscellaneous Account Adjustments	(223,631)	0.00	0.00
TA20	2010 Revenue Adjustment - (\$927,489)	0	0.00	0.00
CR01	Flexible Benefits	(27,636)	0.00	0.00
CR05	General Fund Overhead Cost Allocation	(44,973)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(1,519)	0.00	0.00
CR08	Technology Services Infrastructure Charge	3,219	0.00	0.00
CR09	Geographic Information Systems Charge	(2,619)	0.00	0.00
CR10	Office of Information Resource Mgmt Ops Charge/Rebate	(3,363)	0.00	0.00
CR11	Telecommunications Services	(1,158)	0.00	0.00
CR12	Telecommunications Overhead	(2,832)	0.00	0.00
CR15	Insurance Charges	(109,131)	0.00	0.00
CR16	Radio Access	367	0.00	0.00
CR17	Radio Maintenance	677	0.00	0.00
CR18	Radio Direct Charges	10,063	0.00	0.00
CR19	Radio Reserve Program	(4,502)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	8,333	0.00	0.00
CR21	Debt Service Adjustment	(5,400)	0.00	0.00
CR23	Facilities Management Custodial Charges	82,753	0.00	0.00
CR25	Financial Services Charge	16,690	0.00	0.00
CR26	Retirement Rate Adjustment	(91,713)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,832)	0.00	0.00
CR30	Printing Loan Recovery	(1,556)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance	(481)	0.00	0.00
CR37	Facilities Management Strategic Initiative	238	0.00	0.00
CR39	COLA Adjustment	(5,765)	0.00	0.00
CR40	Merit Adjustment	(2,169)	0.00	0.00

Airport

PHYSICAL ENVIRONMENT PROGRAM PLAN

**2010/2011 Adopted Biennium Budget for Airport
4290/0710**

Code/ Item	Description	Expenditures	FTEs *	TLTs
CR46	Countywide Strategic Technology Projects	(8,227)	0.00	0.00
		(416,167)	0.00	0.00
	Total Change Items for 2010/2011 Biennium Budget	14,044,162	(1.00)	(2.00)
	2010/2011 Adopted Biennium Budget	28,315,564	46.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

PHYSICAL ENVIRONMENT PROGRAM PLAN

King County International Airport (KCIA) Operating Budget

The King County International Airport (KCIA) fund 4290 biennial budget requests \$36,670,562. The operating budget request is largely technical but decreases the transfer to the Capital Improvement Program (CIP) in response to reduced revenue projections.

2011 Base Budget

2011 Base Budget – \$14,682,693. This change item inflates the 2010 base budget to generate the 2011 base for the 2010/2011 biennial budget.

Change in Administrative Need

Eliminate Expired TLT – (\$211,938) / (1.00) TLT. KCIA will eliminate one TLT project manager from the Noise / Home Insulation program. The TLT position currently expires December 31, 2009. Any remaining workload will be absorbed by remaining staff.

Convert Environmental Engineer TLT to FTE – 1.00 FTE / (1.00) TLT. Due to long-term needs for environmental mitigation, Airport is converting a term-limited temporary environmental engineer to full-time status. KCIA proposes a permanent environmental engineer due to increasing capital projects related to environmental mitigation such as the Duwamish Superfund clean-up and heightened environmental needs.

Increased Efficiencies/Reduced Cost

IT Reorganization – (\$10,426) / (2.00) FTEs. In order to create a clear line of accountability for executive branch IT, the Department of Transportation is updating its IT organizational structure. This proposal transfers two IT FTEs to the DOT Director's Office. This proposal also includes the overhead charges to the Director's Office to cover the costs of the IT services the division is receiving from the centralized technology group.

Operational Shutdown Savings

Operational Shutdown Savings Contra – (\$145,002). In the face of the severe fiscal challenges across all county funds, the 2010 Executive Proposed Budget includes savings assumptions in an effort to preserve direct services. For 2009, savings were achieved through the implementation of a ten-day building and/or operational closure program, resulting in labor furloughs. The 2010 budget is balanced across all funds assuming that a similar level of savings will be achieved in each agency based on the furlough eligible employees as was adopted for 2009, including 2009 County Council amendments. The specific details of the 2010 plan are still under development, and discussions with labor unions and individual agencies are on-going. Specific plans describing how the 2010 savings will be achieved will be transmitted to the County Council in the coming weeks. To the extent that savings, from labor or other expenses, cannot be fully achieved through temporary and short term building and/or operational closures, the plan will describe additional programmatic reductions and the elimination of additional positions.

Technical Adjustments

Miscellaneous Account Adjustments – (\$223,631). KCIA proposed several operating adjustments to align the budget to actual expenditures such as office supplies, diesel, consulting services, permits, auto equipment repair, and photographic supplies. KCIA increases budget for the Air Rescue Fire-fighting contract, operating materials for environmental mitigation, temporary labor, and overtime. It decreases budget for contract services for storm drainage clean-up and temporary labor in the opera-

PHYSICAL ENVIRONMENT PROGRAM PLAN

tions & compliance section.

2010 Revenue Adjustment – (\$927,489). This adjustment makes several revisions to revenue accounts to match the 2010/2011 financial plan.

Central Rates – (\$192,536). This series of adjustments captures the net effect of countywide charges and results in an \$192,536 reduction in charges to KCIA. These reductions reflect efficiencies created by Executive agencies to reduce the cost of services they provide to other county agencies. These changes reflect the County Executive's commitment to creating an efficient government and making administrative reductions before direct service reductions. The efforts of central rate agencies to reduce costs are integral to the County Executive's strategy to address the General Fund deficit, and benefit all county agencies.

Information Technology Capital Projects

Airport Division's dedication to service quality also involves the maintenance and continual improvement and updating of IT support systems. The Airport IT project planned for the 2010 / 2011 biennium is described below.

DOT Airport Maximo Upgrade – \$261,840. This project will upgrade King County Airport software associated with work order and purchasing in the maintenance shop. The Airport owns and uses Maximo Version 5.2, a work order and inventory management system. It is anticipated that the support for this version will be discontinued after 2010. This project involves upgrading the existing application as a means of meeting business needs in a cost effective manner. Once installed, the outcome will be improved functionality with the new version and several years of active support by the vendor. This appropriation funds the purchase and implementation of the software upgrade.

C O U N C I L A D O P T E D B U D G E T

***Eliminate OSS Contra - \$145,002.** The county was unable to reach an agreement related to the Operational Shutdown Strategy. As a result, this OSS contra in the 2010 Executive Proposed Budget was reversed in the 2010 Adopted Budget.*

PHYSICAL ENVIRONMENT PROGRAM PLAN

King County International Airport / 4290

	2008 Actual ¹	2009 Adopted	2009 Estimated ²	2010 Adopted	2011 Adopted	2012 Projected ³
Beginning Fund Balance	4,709,156	7,806,917	7,785,542	3,590,153	2,655,707	2,545,337
Revenues						
Leases	13,688,885	12,930,563	11,936,543	13,417,332	13,301,627	13,966,122
Other Fees and Operating Revenues	4,523,121	4,476,505	4,135,753	4,146,073	4,175,811	4,281,636
Interest Earnings	203,463	201,900	32,633	53,273	45,362	64,027
Total Revenues	18,415,469	17,608,968	16,104,929	17,616,678	17,522,800	18,311,785
Expenditures						
Operating Expenditures	(9,987,801)	(10,728,450)	(10,787,765)	(10,268,001)	(10,774,354)	(11,097,584)
ARFF KCSO Contract	(2,586,800)	(2,762,557)	(2,762,557)	(2,905,882)	(2,993,058)	(3,082,850)
2001 Bond Debt	(664,482)	(690,681)	(690,681)	(685,281)	(688,988)	(681,869)
Encumbrance			(59,315)			
Total Expenditures	(13,239,083)	(14,181,688)	(14,300,318)	(13,859,164)	(14,456,400)	(14,862,303)
Estimated Underexpenditures ⁴		321,854		308,040	323,231	332,928
Other Fund Transactions						
Operating Transfer to CIP	(2,100,000)	(8,000,000)	(6,000,000)	(5,000,000)	(3,500,000)	(4,000,000)
Total Other Fund Transactions	(2,100,000)	(8,000,000)	(6,000,000)	(5,000,000)	(3,500,000)	(4,000,000)
Ending Fund Balance	7,785,542	3,556,051	3,590,153	2,655,707	2,545,337	2,327,746
Reserves & Designations						
Encumbrance	(59,315)					
Total Reserves & Designations	(59,315)					
Ending Undesignated Fund Balance	7,726,227	3,556,051	3,590,153	2,655,707	2,545,337	2,327,746
Target Fund Balance ⁵	1,841,547	1,760,897	1,610,493	1,761,668	1,752,280	1,831,179

Financial Plan Notes:

¹ 2008 Actuals are from the 14th month ARMS report.

² 2009 Estimated is based on 2009 Adopted budget and 2008 actual ending fund balance.

³ 2012 Projected are based on prior years plus the following inflation assumptions:

Revenue: Assumes 2% inflation where better projections were not available.

Expenditure: Assumes 3% growth where better projections are not available.

⁴ Beginning 2009, estimated underexpenditure is based on 3% of Operating Expenditures.

⁵ Target Fund Balance is equal to 10% of Revenues

PHYSICAL ENVIRONMENT PROGRAM PLAN**2010/2011 Adopted Biennium Budget for Airport
Construction Transfer 4290/0716**

Code/ Item	Description	Expenditures	FTEs *	TLTs
Program Area PE	2009 Adopted	8,000,000	0.00	0.00
	Status Quo**	(2,200,000)	0.00	0.00
	Status Quo Budget	5,800,000	0.00	0.00
	Contra Add Back	0		
2011 Base Budget				
TA25	2011 Base Budget	5,974,000	0.00	0.00
		5,974,000	0.00	0.00
Revenue Reduction				
TA01	Operating Transfer to CIP	(3,274,000)	0.00	0.00
		(3,274,000)	0.00	0.00
Total Change Items for 2010/2011 Biennium Budget		2,700,000	0.00	0.00
2010/2011 Adopted Biennium Budget		8,500,000	0.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Airport Construction Fund

2011 Base Budget

2011 Base Budget – \$5,974,000. This change item inflates the 2010 base budget to generate the 2011 base for the 2010/2011 biennial budget.

Revenue Reduction

Operating Transfer to CIP – (\$3,274,000). Due to downward revenue projections for 2010 and beyond, the Airport is reducing the transfer from the operating fund to the capital fund. In the 2010/2011 biennium, the CIP transfer is reduced from \$8 million in the 2009 Adopted Budget to \$5 million in 2010, and then to \$3.5 million in 2011. The reduced transfer will defer several facility maintenance projects.

C O U N C I L A D O P T E D B U D G E T

Council made no changes to the 2010/2011 Executive Proposed Biennial Budget

PHYSICAL ENVIRONMENT PROGRAM PLAN

King County International Airport (KCIA) Capital Budget

The purpose of the airport capital program is to maintain, upgrade and redevelop a first-class general aviation transportation facility that provides safe and continuous general aviation services. The program goals of the 2010-2015 King County International Airport (KCIA) capital program are to continue to fund various airport projects and programs that will help achieve: financial and operational sustainability; safety and security; customer service and efficiency; protection of the environment and enhancement of social justice, and efficiently move people and goods.

The total executive proposed biennial CIP budget for 2010/2011 is \$37,339,800. Significant projects are shown in the table and narrative below.

Significant Projects King County International Airport	2010/2011 Executive Proposed Budget	Continuation of Existing Project
Residential Noise Remedy Improvements	\$14,140,548	X
Duwamish Clean-up Slip 4	\$3,500,000	X
Taxiway Alpha Rehabilitation	\$15,517,457	X
Airport Fleet	\$1,812,180	X

2010/2011 Significant Project Highlights

Residential Noise Remedy Improvements: 2010/2011 Proposed Budget \$14,140,548

This project provides funding to implement and manage a multi-year Sound Insulation Program that calls for KCIA to sound attenuate single-family houses (4-plex or smaller) to reduce interior noise levels by 5 decibels in qualifying homes. This is a voluntary program that is financed with Federal Aviation Administration (FAA) (95 percent) and Airport (5 percent) funds following federal guidelines for eligibility. This program provides sound attenuation improvements for qualified residences located in parts of the Georgetown, Beacon Hill and Tukwila/Allentown neighborhoods as defined in the airport's approved FAA Part 150 Noise Compatibility Study.

Taxiway Alpha Rehabilitation: 2010/2011 Proposed Budget \$15,517,457

Taxiway Alpha is the airport's primary taxiway serving the majority of the airport's tenants. It is located on the eastside of the airfield. This project will rehabilitate the northern section of the taxiway extending from Alpha 1 to Alpha 10, and will include overlay of most of the existing surface to improve durability of the pavement, re-grade of the surface to reduce ponding, and installation of perimeter drains to improve sub-grade stability. Concrete paving near Alpha 1 intersection will be removed and repaved with a full depth asphalt section. This project also includes a de-icing area with oil/water separator, and installation of several concrete hard stands on the public ramp frequently used by heavy aircraft.

Duwamish Clean-up Slip 4: 2010/2011 Proposed Budget \$3,500,000

A portion of the KCIA stormwater drainage system drains into the Lower Duwamish Waterway at Slip 4. An emergency overflow drainage pipe operated by the King County Wastewater Treatment Division also drains into Slip 4; the City of Seattle discharges stormwater into Slip 4, including stormwater from the City of Seattle Georgetown Steam Plant; and the Boeing Company, North Boeing Field, drains into the Slip 4.

The U.S. Environmental Protection Agency (EPA) has identified King County and the City of Seattle

PHYSICAL ENVIRONMENT PROGRAM PLAN

as Potentially Liable Parties (PLP) since these and other county operations may have contributed to the contamination of the sediments in the Lower Duwamish River, including Slip 4. By signing a Consent Decree with the EPA and the State of Washington's Department of Ecology (DOE), the county has agreed to participate in investigating the appropriate cleanup activities for the entire Lower Duwamish, including cleaning up several "early action sites" such as Slip 4, that have been identified during the investigation.

The county's goal is to investigate the contamination of sediments in the Lower Duwamish Waterway and develop an appropriate source control and remediation response. In achieving that goal, the county will endeavor to have the EPA approve an appropriate cleanup method for Slip 4, perform the approved clean-up and recover the cost of the investigation and clean-up from the other parties responsible for the contamination. The intent is to minimize the scope of the Lower Duwamish Waterway clean-up by addressing "early action sites" such as Slip 4.

Airport Fleet: 2010/2011 Proposed Budget \$1,812,180

Plans for 2010 include the acquisition of scheduled replacement vehicles for light duty and the acquisition of a High-Speed Runway Blower.

PHYSICAL ENVIRONMENT PROGRAM PLAN

2010 Adopted Budget for Physical Environment GF Transfers 0010/0697

Code/ Item Description	Expenditures	FTEs *	TLTs
Program Area			
PE			
2009 Adopted	4,529,087	0.00	0.00
Status Quo**	(92,331)	0.00	0.00
Status Quo Budget	4,436,756	0.00	0.00
Contra Add Back	202,526		
Administrative Reductions			
AS01 GF Transfer to Surface Water Management	(46,985)	0.00	0.00
AS02 GF Transfer to Parks	(2,110,945)	0.00	0.00
AS03 GF Transfer to DDES	(175,283)	0.00	0.00
	(2,333,213)	0.00	0.00
Annexations/Incorporations			
AX04 North Highline Annexation	(43,416)	0.00	0.00
	(43,416)	0.00	0.00
Council Changes			
CC01 UGA Parks and Pools Transfer Support	188,120	0.00	0.00
CC02 Eliminate GF Support for WSU Extension	(109,000)	0.00	0.00
	79,120	0.00	0.00
Technical Adjustments			
CR35 Underexpenditure Contra	48,357	0.00	0.00
	48,357	0.00	0.00
Total Change Items in 2010	(2,249,152)	0.00	0.00
2010 Adopted Budget	2,390,130	0.00	0.00

* FTEs do not include temporaries or overtime.

** This includes 2009 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

*** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment General Fund Transfers

The 2010 Executive Proposed Budget includes \$2,311,010 for the following General Fund Transfers to Physical Environment Agencies as follows: transfer to Surface Water Management - \$269,947, transfer to DDES - \$1,784,872, and transfer to Parks - \$256,191.

Administrative Reductions

GF Transfer to Surface Water Management – (\$46,985). This proposed reduction leaves sufficient General Fund support to continue King County support of the 4-H program coordinated by the WSU Cooperative Extension and the Current Use Taxation Program.

GF Transfer to Parks – (\$2,110,945). This proposed reduction reduces the General Fund support for Urban Growth Area parks to an amount that will enable mothball activities.

GF Transfer to DDES – (\$175,283). This proposed reduction meets the targeted reduction established for DDES activities supported by the General Fund.

Annexations / Incorporations

North Highline Annexation – (\$43,416). On August 18, 2009, the residents of the southern portion of North Highline voted to annex to the city of Burien. The annexation is expected to be effective March 2, 2010. Because responsibility for providing local services to the approximately 14,350 residents of the area will shift to Burien, King County will experience savings across multiple agencies. The annexation will generate \$43,416 in savings for the General Fund supported activities in DDES for the last ten months of 2010.

Technical Adjustments

Underexpenditure Contra – \$48,357. This proposal increases the underexpenditure contra commensurate with the changes in the General Fund transfers to agencies as detailed above.

Please see the Surface Water Management, Parks, and DDES program pages for full descriptions of the programs mentioned above.

C O U N C I L A D O P T E D B U D G E T

Eliminate General Fund Support for 4-H / (\$109,000). This change item eliminates General Fund transfer to the Surface Water Management fund for the 4-H program in the Washington State University Cooperative Extension.

UGA Parks and Pools Transfer Support / \$188,120. This change adds back the minimum necessary funding to keep the UGA parks open in 2010 and \$125,000 to be used to encourage the transfer of pools.